

Registration number: 07770687

# Range High School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

# **Range High School**

## **Contents**

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 10
Governance Statement	11 to 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18 to 20
Independent Reporting Accountant's Report on Regularity	21 to 22
Statement of Financial Activities incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 to 44

## **Range High School**

### **Reference and Administrative Details**

<b>Members</b>	I Burton G Gentles (resigned 23 August 2019) J Rimmer K Russell (resigned 24 September 2018) M Thomas, Chair of Governors C Morris (appointed 6 December 2018)
<b>Trustees</b>	M Gallan K P Grimes R H McGreevy J P McNeice S Mornington (resigned 24 September 2018) C Morris P Povey R L Snowdon P Steiger G Aldridge (resigned 23 August 2019) M Thomas I Burton G Gentles (resigned 23 August 2019) J Rimmer K Russell (resigned 24 September 2018) M McGarry (appointed 1 September 2019)
<b>Company Secretary</b>	A Pritchard
<b>Senior Management Team</b>	G Aldridge (resigned 31 August 2019), Headteacher T Dolly, Deputy Headteacher C Ainsworth, Assistant Headteacher G Phillips, Assistant Headteacher C Quinn, Assistant Headteacher A Pritchard, Resource Director M G McGarry (appointed 1 September 2019), Headteacher V Ashworth (appointed 1 September 2019), Temporary Associate Leader D Cregeen (appointed 1 September 2019), Temporary Associate Leader
<b>Principal and Registered Office</b>	Stapleton Road Formby Liverpool L37 2YN

## **Range High School**

### **Reference and Administrative Details (continued)**

**Company Registration Number** 07770687

**Auditors** Beever and Struthers  
215 - 219 Chester Road  
Manchester  
M15 4JE

**Bankers** Lloyds Bank plc  
5 St Paul's Square  
Liverpool  
L3 9SJ

**Solicitors** Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

## **Range High School**

### **Trustees' Report for the Year Ended 31 August 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **Structure, governance and management**

##### ***Constitution***

Range High School ("The School") converted to Academy status on 1 November 2011. The School is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The company registration number is 07770687.

The School was incorporated on 12 September 2011 and commenced its activities on transfer from the Local Authority on 01 November 2011.

The Governors act as the Trustees for the charitable activities of Range High School and are also the Directors of the charitable company for the purposes of company law. The Charitable Company is known as Range High School.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

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

##### ***Trustees' indemnities***

The School has purchased indemnity insurance to protect Governors and Officers from claims arising in connection with School's business. The insurance provides unlimited cover.

##### ***Method of recruitment and appointment or election of Trustees***

The Governors are appointed by the following:

Parent Governors (5): Elected by parents of the students of the School

Staff Governors (3): Elected by staff of the School

Community Governors (5): Appointed by the Governing Body provided that the person who is selected as a Community Governor is:

- a person who lives or works in the community served by the School, or;
- provides expertise required by the Governing Body.

The Governors may not appoint an employee of the School as a Community Governor if the number of Governors employed by the School (including the Headteacher) would thereby exceed one third of the total number of Governors.

##### ***Policies and procedures adopted for the induction and training of Trustees***

Each new Governor receives an Induction Handbook and, in addition, if they are new to the role of a Governor, a Mentor Governor will be appointed to support them. This Mentor can be contacted if the new Governor has any queries about their role and is available to offer advice and guidance.

Induction training is also provided by our Governor Training Partner - Sefton LA - and ongoing training is also provided to all Governors with details supplied in the Local Authority's termly training programme.

## **Range High School**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### ***Principal Activities***

The principal object and activity of the Charitable Company is the operation of Range High School to provide education for pupils of mixed abilities between the ages of 11 and 19. The main objectives of the School are summarised below:

- To raise the standards of educational achievement of all pupils
- To ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care
- To improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with the local community
- To conduct business in accordance with the highest standards of integrity, probity and openness.

In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis of admitting students to the School, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

#### ***Organisational structure***

The School is governed by its Governing Body, whose members are directors of the Charitable Company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The organisational structure of the School consists of three levels - the Governing Body, the Headteacher and the Senior Leadership Team.

The Governors are responsible for setting the general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and students' performance information and making major decisions about the direction of the School, capital expenditure and senior staff appointments. Certain elements of these responsibilities are delegated to the following committees who make recommendations to the full Governing Body:

- Safeguarding and leadership
- Teaching and Learning
- Resources Committee (including Audit Committee functions)
- Pay and Performance Committee

The Headteacher is also the Accounting Officer and has executive responsibility for implementing the policies laid down by the Governors and for reporting back to them. The Headteacher is also responsible for the authorisation of spending within budgets and parameters agreed by the Governing Body and for the appointment of staff.

The Senior Leadership Team comprises one Deputy Headteacher, two Assistant Headteachers, two temporary Associate Leaders and a Resource Director. The Headteacher has devolved to the members of his team strategic management functions, and as such, they must report directly back to the Headteacher and the Governing Body.

## Range High School

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### *Arrangements for setting pay and remuneration of key management personnel*

In addition to the Headteacher, Range High has a Senior Leadership Team (SLT) comprising of a Deputy Headteacher, two Assistant Headteachers and two temporary Associate Leaders and a Resources Director. All the SLT, including the Headteacher, are covered by the arrangements covered under the Arrangements for Setting Pay section. The salary levels of the Deputy and Assistant Headteachers were set when the school was with the Local Authority and were set according to the school's ISR banding. The salary of the Resources Director was set following a review in 2011 of the post's duties and responsibilities.

For all but the temporary Associate Leader posts, SLT grades allow for incremental progression. Progression, however, is only possible if the Governing Body's Pay and Performance Committee deem that the targets, set at the beginning of the year, have been achieved. Once the maximum of the grade is achieved, annual targets continue to be set and the outcome being reported to the Pay and Performance Committee. The Associate Leader posts were appointed to a fixed point on the Leadership spine. The future of these posts will be decided in 19/20.

#### **Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

#### **Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	1

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

	2019
Provide the total cost of facility time	315
Provide the total pay bill	4,797,700
Provide the percentage of the total pay bill spent on facility time, calculated as: ( total cost of facility time ÷ total pay bill ) x 100	1

#### **Paid trade union activities**

	2019
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: ( total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours ) x 100	100

Under the provision of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy has more than 49 full time equivalent employees throughout any 7 months within the reporting period, we must publish details of the number of relevant union officials, their facility time, the percentage of our pay bill and any paid trade union activities. This information can be found in the tables below:

## **Range High School**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### *Connected organisations, including related party relationships*

There are no connected organisations and no transactions with related parties that were conducted during the period.

#### **Objectives and activities**

##### *Objects and aims*

As a modern school, we seek continually to be at the forefront of education. Our staff pride themselves on their high standards of teaching and we are committed to developing our skills as teachers to bring out the best in all pupils. Our focus is on the individual, their needs and aspirations.

As a school with traditional values; we seek to instil high standards of behaviour, in an atmosphere of mutual respect and support. We develop our pupils' sense of themselves as moral beings with a concern for and commitment to others in school, their community and the world. We value service to the School and encourage a healthy and supportive spirit of competitiveness. We pride ourselves on looking after children so that they develop a sense of identity and security which is the cornerstone of our philosophy.

We are dedicated to high standards of educational achievement but also to enriching and developing the talents and skill of our pupils in the broadest sense, valuing achievements of all kinds. If a child has a talent, we can offer opportunities to nurture that talent and celebrate it; whether it be through sporting or artistic success, in languages or services to others, to name but a few.

##### *Objectives, strategies and activities*

In addition to the regular and rigorous School Self Review, the School produces an Annual School Improvement Plan which sets out our priorities for the forthcoming year, as well as reviewing those of the past period. The document is comprehensive in nature and covers many of the activities that can take place throughout the school year. Details of these targets, progress and achievements can be found on the School's website under the Governor's Section. Summaries are located in the published Governor's minutes.

##### *Public benefit*

The general benefits of education are universally recognised. The School aims to advance, for the public benefit, education in the United Kingdom. In setting the objectives of the School and planning associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit. It is the aim of the school to ensure that every child achieves higher than their expected target by ensuring a first class education for all.



## **Range High School**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

The academic year 18/19 has been very challenging and has resulted in the school taking a root and branch review of many of its operations and procedures.

In November 2018 school received a visit from Ofsted and, as a consequence of this, its rating was reduced from Outstanding to Requires Improvement. Although many, both internal and external to the school, were shocked at this finding there was a determination amongst governors, staff, pupils and their families that the road back to outstanding was the only route available. An Ofsted action plan was created and many systems and procedures were reviewed, and where necessary changed, so the school could move forward. In addition, external reviews of PPG funding and governance arrangements were conducted with recommendations accepted and implemented.

In February 2019, Mr Aldridge announced his departure from school at the end of the academic year and, following a thorough recruitment campaign, Mr McGarry was appointed as his replacement. With many years of experience as a Senior School Leader – most recently as Vice Principal at Belvedere Academy, Liverpool – Mr McGarry's appointment marked the start of a new era for Range High School. All connected with school wish to thank Mr Aldridge for his valuable contribution to school life during his time at Range High, firstly as Deputy and later as Headteacher. All wish him well for the future.

Despite the Ofsted report and the obvious impact it had on both the morale of both pupils and staff, all focused on the task of providing a first class education. Thanks to the hard work of school staff, the pupils and their families we received a very strong set of GCSE results this summer, with 82% of all grades at 4 or above and over a third of all grades at 9-7 (A\*/A in old money!) These results are likely to produce the best P8 score the school has every received. Equally impressive were our A-Level outcomes with over a half of all grades awarded at A\*-B and nearly a quarter of all grades at A\*/A. All of this is excellent testament to the hard work and commitment of our staff, parents and pupils from last year's Yr11 and Yr13 cohorts. Well done to all!

Range High, of course, is much more than an 'exam factory' with the amazing array of extra-curricular activities and trips available to our pupils. Over the last twelve months we have had sporting achievements across many sports including football, rugby, netball, table tennis, cross country running and athletics. We have had overseas trips to German, Austria, Barcelona and, in conjunction with World Challenge, to Tanzania.

Our pupils' education has also been enhanced by the many educational trips and visits that have taken place to various locations around the country; Oxford University, separate Drama and History trips to London, the Lake District to name just a few.

In addition to all the activities above, our pupils' spiritual and emotional education has benefited from team building House visits; the Duke of Edinburgh award; fundraising both by individuals, groups of pupils and school as a whole; collections for the Southport Food Bank and a visit from the Bishop of Sheffield, the Right Reverend Dr Peter Wilcox as part of his visit to the Diocese of Liverpool.

All in all, despite a tough year, Range High continues not only to produce excellent outcomes for its pupils but to produce well rounded young people ready for the challenges of adult life.

## **Range High School**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### *Going concern*

Range High School is currently in discussions with the ESFA over deficit budgets in 19/20 and 20/21 and the implications this will have on its cash flow. The current cashflow projections identify that the Trust will be unable to fund its short term liabilities within the next 12 months. As the budget returns to a positive position in 21/22, the ESFA have indicated that they will consider the advancement of GAG funding to support the school's cash flow during this period. Although discussions are ongoing with the ESFA, Governors believe that Range High School is a going concern contingent on receipt of cash flow support from the ESFA to ensure short term liabilities can be met, and will return to a credit financial position in 21/22.

##### **Strategic Vision**

Range High School will continue to provide an excellent all-round education for pupils aged 11 to 18. We provide them with the skills, knowledge and understanding to help them to become confident, resilient, positive and successful young adults. Range High School's strategic vision will further develop its current strengths, including every child exceeding its expectations and by providing an extensive enrichment programme of extra-curricular activities.

##### **Financial review**

The School's total incoming resources during the period were £6,582k (2018: £6,147k).

The majority of the School's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the School's educational operations in the period was £5,661k (2018: £5,737k) and further details are provided in Note 3 to the accounts.

Total outgoing resources for the period were £7,126k (2018: £6,497k), the majority of which related to the direct provision of educational operations £6,822k (2018: £6,180k). The net outgoing resources were £544k (2018: £350k).

At the period end the School's total reserves were £3,630k (2018: £5,605k, including unrestricted funds of £84k (2018: £127k). Restricted funds include fixed assets of £8,171k (2018: £8,330k), less the LGPS pensions scheme deficit of £4,603k (2018: £2,814k).

On conversion in 2011 the School inherited a deficit of £1,608k in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had increased compared to last year's figure of £2,814k to £4,603k by 31 August 2018. The School paid contributions of approximately £94k towards the deficit in its 2018/19 accounts, funded by the GAG. The level of these deficit payments will be reviewed following the next actuarial valuation and any changes in the required level of payment will be included in the School's annual budget from the date they take effect. The School does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

At 31 August 2019 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the School.

##### *Financial and risk management objectives and policies*

Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the School on an efficient basis without affecting the quality of teaching and learning.

## **Range High School**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### *Reserves policy*

Our reserves policy is:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements.
- To ensure there is no risk of loss in the capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds.

The Governors regularly review the reserve levels of the School. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Ideally, the Governors would like to build up reserves of up to 2-3% of income receivable. This is not currently achievable due to funding constraints which mean that the School continues to manage its cashflow and reserves carefully. Unrestricted funds at the year end were £151,664 and forecasts for the 18 month period from the 31 August 2019 indicate that budget will be very tight and school will welcome the additional funding recently announced by the Government.

##### *Equal Opportunities Policy*

The Governors recognise that equal opportunities are integral to good practice within the workplace. The School has established equal opportunities in all areas and its activities include creating a work environment in which the contribution and needs of all people are fully valued. The School meets the requirements of the Equality Act 2010.

##### *Investment policy*

Governors have an investment policy but decided this year, due to the small reserve available, not to invest any balances with a third party.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Range High School aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, we will invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

##### *Principal risks and uncertainties*

Governors have considered the principal risks and uncertainties that the School may be exposed to. Policies and controls have been designed so that these risks and uncertainties can be quickly identified, allowing the School to respond swiftly in order to eliminate them. Currently school sees the following as the highest risk: fall in pupil numbers as a result of the Ofsted report; smaller pupil numbers in the sixth form due to competition from other providers and the impact of national funding on the school's budget. Range High is working hard to mitigate these risks and their impact by planning various strategies to promote, at every opportunity and in various forms, the quality of the education received by its students and their achievements.

##### *Plans for future periods*

Following the Ofsted inspection in November 2018, school no longer has plans to form a MAT with Maghull High School instead it will focus all of its efforts on its journey back to being an 'Outstanding' school.

## Range High School

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### Funds held as Custodian Trustee on behalf of others

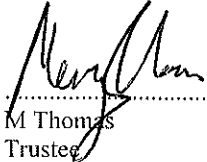
There are no funds held as Custodian Trustees on behalf of others.

##### Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a Strategic Report, was approved by order of the members of the board of trustees as the company's directors on 5/12/19 and signed on its behalf by:

  
.....  
M Thomas  
Trustee

# Range High School

## Governance Statement

### Statement on governance and internal control

The Headteacher is satisfied with the robust nature of the School's finances and financial procedures.

### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to G Aldridge (resigned 31 August 2019) and M McGarry (appointed 1 September 2019), 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 Range High 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 School's Governing Body has three main committees: Safeguarding and Leadership; Teaching and Learning and Resources. These meet regularly and report directly to the Governing Body. In addition there is also a Pay and Performance Committee that meets annually to review salary levels for staff. The following Committees will meet as and when required: Pay Appeals, Pupil Pastoral, Pupil Discipline, General Complaints, Staff Appeals and Staff Dismissal. The functions of the Audit Committee now form part of the terms of reference for the Resources Committee. However, following a review of the Governance following the recent Ofsted, the format committees etc. will change in 19/20.

The board of trustees has formally met 7 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
M Thomas	6	7
G Aldridge	6	7
I Burton	7	7
K P Grimes	5	7
C Morris	6	7
J Rimmer	6	7
M Gallan	5	7
R H McGreevy	5	7
J P McNeice	5	7
K Russell	1	1
R L Snowdon	6	7
P Steiger	5	7
G Gentles	0	7
S Mornington	1	7
P Povey	5	7

## Range High School

### Governance Statement (continued)

#### Governance reviews

Following the Ofsted inspection in 2018, school was instructed to conduct a 'root and branch' review of its Governance arrangement. Following an external review it was recommended that, in 2019/20, there will a reduction in the number of committees servicing the full board (only the Pay Committee and the Audit Committee remain), and increase in the frequency of board meetings to six times a year from the previous 4 with a streamlining of agendas. In addition, the board will be serviced by a Clerk to the Governors who is external to the school.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for the operation of both the School's finances and its Land and Buildings. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
M Thomas	3	3
G Aldridge	3	3
I Burton	3	3
K P Grimes	1	3
C Morris	3	3
J Rimmer	3	3
J P McNeice	3	3
P Steiger	2	3
G Gentles	0	3
P Povey	2	3

## **Range High School**

### **Governance Statement (continued)**

#### **Review of value for money**

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

The Accounting Officer considers how the 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 available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- clearly setting out our aims and objectives for the academic year and communicating these to all staff and interested parties
- monitoring progress against said aims and objectives
- agreeing on how best to allocate scarce resources between competing priorities
- having the right resources available at the right time
- monitoring the effectiveness of how we use the resources available
- constantly analysing our progress, standards and performance results
- reviewing how successful we have been in achieving our desired outcomes

Over the last twelve months, Range High School continued its focus on raising the attainment of our students across the Key Stages. With focus on after-school sessions, students, their families and staff have worked hard at maximising the students' achievements and their efforts were reflected in our results with early indications that Range High is the third best performing school in Sefton. Taking into consideration that the school receives the lowest per pupil funding for the authority it is far to state that the education offer at Range provides excellent value for money.

In addition, following a successful bid for Capital Funding, school conducted a tendering process to select a contractor to replace the school's sports hall roof and areas of flat roof over the changing areas. This exercise has allowed school to maximise the grant and carry out additional works that we would have otherwise been unable to afford - the redirection of drainage from the sports hall roof for example. This will help alleviate flooding issues inside of the building during heavy, sharp, rain showers.

#### **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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Range High School for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

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

#### **The risk and control framework**

The School'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:

## **Range High School**

### **Governance Statement (continued)**

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

In addition, the Governors regularly review various policies which take into consideration the following:

- the types of risks the School faces
- the level of risks which they regard as acceptable
- the likelihood of the risks materialising
- the School's ability to reduce the incident and impact on the School's operations of risk that do materialise
- clarification of the responsibilities of the Senior Leadership Team to implement Governors' policies and to identify and evaluate risks for the Governors' consideration

The board of trustees has considered the need for a specific internal audit function and has decided

- to appoint Beever and Struthers as an internal audit partner to provide, on a termly basis, reassurance that school is operating its procedures in a robust manner. Reports will be presented initially for review to the Audit Committee and then to the Governing Body.

Beever and Struthers reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and procedural systems. In the past the following checks have been carried out:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of the tender process

In addition, each Spring term, Beever and Struthers review the school's Single Central Register (SCR) to ensure it is complete and meets current regulations.

This year Beever and Struthers have only been engaged to undertake one internal audit - the SCR - as, following the Ofsted inspection in November 18, school was required to undertake full reviews of the Pupil Premium Funding and Governance arrangements. These were conducted by external consultants and the findings reported directly to the Governing Body.

In the past internal audit reports were discussed at the Resources Committee however, going forward, this will be the role of the Audit Committee. The Audit Committee will also decide, each November, on the schedule of areas to be reviewed in the following 12 months. These arrangements will provide reasonable assurance that the school's assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

There were no material control or other issues reported by the Responsible Officer to date.



## Range High School

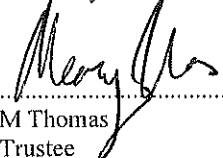
### Governance Statement (continued)

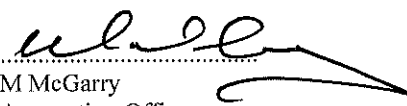
#### Review of effectiveness

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. The Headteacher is satisfied with the robust nature of the School's finances and financial procedures. During the year in question the review has been informed by:

- Management accounts;
- Resources Committee agenda;
- Reports and minutes;
- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework, financial procedures and policies;
- Termly reports on controls and procedures by Beever and Struthers
- The work of the external auditor;
- The Governors' Scheme of Delegation and register of pecuniary/business interests of the Governing Body and all school staff.

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

  
.....  
M Thomas  
Trustee

  
.....  
M McGarry  
Accounting Officer  
Governor

5/12/19

## Range High School

### Statement on Regularity, Propriety and Compliance

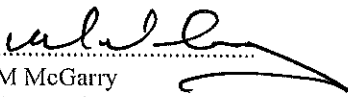
As Accounting Officer of Range High School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust,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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA

- **Financial issues**

Due to the deficit situation the school found (and now finds) itself in, a decision was taken by the previous Accounting Officer to utilise the additional devolved formula capital funds, received in February, to support the revenue budget, particularly in areas of ICT. It was the school's opinion that it seemed unwise to spend this money on large capital items whilst the school had insufficient funds to balance the day-to-day budget. This has been reflected in the accounts.

  
M McGarry  
Accounting Officer

Date: 5.12.19

## Range High School

### Statement of Trustees' Responsibilities

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

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

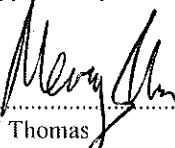
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 on 5/10/19 and signed on its behalf by:

  
.....  
M Thomas  
Trustee

## **Range High School**

### **Independent Auditor's Report on the Financial Statements to the Members of Range High School**

#### **Opinion**

We have audited the financial statements of Range High School (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

#### **Basis for opinion**

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

#### **Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which indicates that the trust has identified a cashflow shortfall which will mean they are unable to meet short term liabilities within the next 12 months without additional cash funding from their primary funders and regulator, the ESFA. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)**

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

## **Range High School**

### **Independent Auditor's Report on the Financial Statements to the Members of Range High School (continued)**

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 17], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

## Range High School

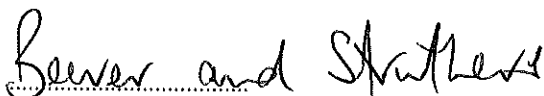
### Independent Auditor's Report on the Financial Statements to the Members of Range High School (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

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



Andrew McLaren (Senior Statutory Auditor)

For and on behalf of Beever and Struthers, Statutory Auditor

215 - 219 Chester Road  
Manchester  
M15 4JE

Date: 5/12/19

## **Range High School**

### **Independent Reporting Accountant's Report on Regularity to Range High School and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 8 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Range High School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management
- Reference to the Academies Accounts Direction 2018/19, Annex B: Regularity Reporting section 4

## Range High School

### Independent Reporting Accountant's Report on Regularity to Range High School and the Education & Skills Funding Agency (continued)

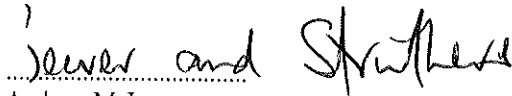
#### Conclusion

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

#### Matter 1:

We note that the Trust has funded non capital ICT and other revenue expenditure with Devolved Formula Capital grant. DFC would not typically be used to fund such expenditure. The Academies Financial Handbook states that in relation to spending:

'The academy trust must ensure that spending has been for the purposes intended...' (AFH 2.4.1)



Andrew McLaren

For and on behalf of Beever and Struthers, Chartered Accountants

215 - 219 Chester Road  
Manchester  
M15 4JE

Date: 5/12/19



# Range High School

## Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

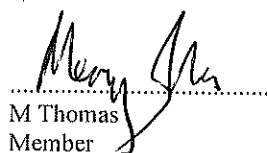
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
<b>Income and endowments from:</b>						
Donations and capital grants	2	245	492	88	825	264
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	5,661	-	5,661	5,737
Teaching schools		-	47	-	47	58
Other trading activities	4	49	-	-	49	88
Total		294	6,200	88	6,582	6,147
<b>Expenditure on:</b>						
Raising funds	5	257	-	-	257	259
<i>Charitable activities:</i>						
Academy trust educational operations	6	2	6,636	184	6,822	6,180
Teaching schools	23	-	47	-	47	58
Total		259	6,683	184	7,126	6,497
Net income/(expenditure)		35	(483)	(96)	(544)	(350)
Transfers between funds		(78)	141	(63)	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain/(loss) on defined benefit pension schemes	20	-	(1,431)	-	(1,431)	706
Net movement in (deficit)/funds		(43)	(1,773)	(159)	(1,975)	356
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2018		127	(2,852)	8,330	5,605	5,249
Total funds/(deficit) carried forward at 31 August 2019		84	(4,625)	8,171	3,630	5,605

# Range High School

(Registration number: 07770687)  
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Tangible assets	10	8,165	8,322
<b>Current assets</b>			
Debtors	11	217	126
Cash at bank and in hand		449	267
		666	393
Creditors: Amounts falling due within one year	12	(598)	(296)
Net current assets		68	97
Total assets less current liabilities		8,233	8,419
Net assets excluding pension liability		8,233	8,419
Pension scheme liability	20	(4,603)	(2,814)
Net assets including pension liability		3,630	5,605
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		(22)	(38)
Restricted fixed asset fund		8,171	8,330
Restricted pension fund		(4,603)	(2,814)
		3,546	5,478
<b>Unrestricted funds</b>			
Unrestricted general fund		84	127
Total funds		3,630	5,605

The financial statements on pages 23 to 44 were approved by the Trustees, and authorised for issue on 5/9/19, and signed on their behalf by:

  
M Thomas  
Member

# Range High School

## Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	(371)	(6)
Cash flows from investing activities	17	<u>553</u>	<u>10</u>
Change in cash and cash equivalents in the year		182	4
Cash and cash equivalents at 1 September		<u>267</u>	<u>263</u>
Cash and cash equivalents at 31 August	18	<u><u>449</u></u>	<u><u>267</u></u>

## **Range High School**

### **Notes to the Financial Statements for the Year Ended 31 August 2019**

#### **1 Accounting policies**

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

##### **Basis of preparation**

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

##### **Going concern**

Range High School is currently in discussions with the ESFA over deficit budgets in 19/20 and 20/21 and the implications this will have on its cash flow. The current cashflow projections identify that the Trust will be unable to fund its short term liabilities within the next 12 months. As the budget returns to a positive position in 21/22, the ESFA have indicated that they will consider the advancement of GAG funding to support the school's cash flow during this period. Although discussions are ongoing with the ESFA, Governors believe that Range High School is a going concern contingent on receipt of cash flow support from the ESFA to ensure short term liabilities can be met, and will return to a credit financial position in 21/22.

##### **Income**

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

##### **Grants**

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

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

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

##### **Donations**

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

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### *Other income*

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

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### *Expenditure on raising funds*

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

##### *Charitable activities*

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

##### **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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Leasehold Land and buildings	Over lease term / 2% per annum
Computer equipment	33.3% per annum
Fixtures, fittings & equipment	12.5% per annum

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

Motor vehicles 16.7% per annum

##### **Liabilities**

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

##### **Provisions**

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

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

##### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Taxation**

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

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

## **Range High School**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension benefits**

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

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

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

##### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

##### **Critical accounting estimates and areas of judgement**

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

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### *Critical areas of judgement*

Classification and valuation of long leasehold land and buildings:

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by DTZ. This valuation was adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

##### **Agency accounting**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 22.

#### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Capital grants	-	492	88	580	25
Other donations	245	-	-	245	239
	<u>245</u>	<u>492</u>	<u>88</u>	<u>825</u>	<u>264</u>



## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	5,227	5,227	5,387
Other DfE / ESFA grants	215	215	134
	<u>5,442</u>	<u>5,442</u>	<u>5,521</u>
<b>Other government grants</b>			
Local authority grant	219	219	216
Total grants	<u>5,661</u>	<u>5,661</u>	<u>5,737</u>

#### 4 Other trading activities

	Unrestricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Hire of facilities	13	13	9
Catering income	30	30	77
Other sales	6	6	2
	<u>49</u>	<u>49</u>	<u>88</u>

#### 5 Expenditure

	Staff costs £ 000	Non Pay Expenditure Premises £ 000	Other costs £ 000	2018/19 Total £ 000	2017/18 Total £ 000
<b>Expenditure on raising funds</b>					
Direct costs	-	-	257	257	259
<b>Academy's educational operations</b>					
Direct costs	4,357	-	156	4,513	4,515
Allocated support costs	964	993	352	2,309	1,665
Teaching School	<u>46</u>	<u>-</u>	<u>1</u>	<u>47</u>	<u>58</u>

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 5 Expenditure (continued)

	Non Pay Expenditure			2018/19	2017/18
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
	5,367	993	766	7,126	6,497

Net income/(expenditure) for the year includes:

	2018/19 £ 000	2017/18 £ 000
Operating lease rentals	7	7
Depreciation	184	179
Fees payable to auditor - audit	8	8
- other audit services	4	4

#### 6 Charitable activities

	2018/19 £ 000	2017/18 £ 000
Direct costs - educational operations	4,513	4,515
Support costs - educational operations	2,309	1,665
	6,822	6,180

	Educational operations £ 000	2018/19 Total £ 000	2017/18 Total £ 000
<b>Analysis of support costs</b>			
Support staff costs	964	964	737
Depreciation	184	184	181
Technology costs	30	30	26
Premises costs	809	809	460
Other support costs	310	310	249
Governance costs	12	12	12
Total support costs	2,309	2,309	1,665

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 7 Staff

##### Staff costs

	2018/19 £ 000	2017/18 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	3,952	3,885
Social security costs	377	352
Operating costs of defined benefit pension schemes	1,059	824
	<u>5,388</u>	<u>5,061</u>
Supply staff costs	66	37
Staff restructuring costs	18	-
	<u>5,472</u>	<u>5,098</u>
		<b>2019 £ 000</b>
<b>Staff restructuring costs comprise:</b>		
Severance payments		<u>18</u>

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £18,000 (2018: £Nil). Individually, the payments were: £18,000.

##### Staff numbers

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

	2018/19 No	2017/18 No
<b>Charitable Activities</b>		
Teachers	64	70
Administration and support	80	76
Management	6	6
	<u>150</u>	<u>152</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£100,001 - £110,000	<u>1</u>	<u>1</u>

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 7 Staff (continued)

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £532,972 (2018: £525,686).

#### 8 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

G Aldridge (Headteacher):

Remuneration: £100,000 - £105,000 (2018 - £100,000 - £105,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £15,000 - £20,000)

G Gentles (Staff Governor):

Remuneration: £0 - £5,000 (2018 - £10,000 - £15,000)

Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

S Mornington (Staff Governor):

Remuneration: £35,000 - £40,000 (2018 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

P Povey (Staff Governor):

Remuneration: £40,000 - £45,000 (2018 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

During the year ended 31 August 2019 a non-statutory severance payment of £18,000 was paid to G Gentles (Staff Governor) in addition to the remuneration disclosed above.

Other related party transactions involving the trustees are set out in note 21.

#### 9 Trustees' and officers' insurance

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

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 10 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
<b>Cost</b>					
At 1 September 2018	9,450	12	10	63	9,535
Additions	-	24	-	3	27
At 31 August 2019	9,450	36	10	66	9,562
<b>Depreciation</b>					
At 1 September 2018	1,160	8	9	36	1,213
Charge for the year	165	1	1	17	184
At 31 August 2019	1,325	9	10	53	1,397
<b>Net book value</b>					
At 31 August 2019	8,125	27	-	13	8,165
At 31 August 2018	8,290	4	1	27	8,322

#### 11 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	1	-
VAT recoverable	26	8
Other debtors	-	61
Prepayments and accrued income	190	57
	<u>217</u>	<u>126</u>

#### 12 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Other taxation and social security	88	96
Other creditors	65	26
Accruals	413	82
Deferred income	32	92
	<u>598</u>	<u>296</u>

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 12 Creditors: amounts falling due within one year (continued)

	2019 £ 000	2018 £ 000
<b>Deferred income</b>		
Deferred income at 1 September 2018	92	61
Resources deferred in the period	32	111
Amounts released from previous periods	<u>(92)</u>	<u>(80)</u>
Deferred income at 31 August 2019	<u>32</u>	<u>92</u>

At the balance sheet date the academy trust was holding funds received in advance for school support grants, rates funding and for the Teaching School Alliance.

#### 13 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
<b>Restricted general funds</b>					
General Annual Grant	(38)	5,227	(5,352)	141	(22)
Other DfE / ESFA grants	-	215	(215)	-	-
Other government grants	-	219	(219)	-	-
Teaching school	-	47	(47)	-	-
CIF	<u>-</u>	<u>492</u>	<u>(492)</u>	<u>-</u>	<u>-</u>
	(38)	6,200	(6,325)	141	(22)
<b>Restricted fixed asset funds</b>					
Restricted Fixed Asset Fund	8,330	88	(184)	(63)	8,171
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,814)</u>	<u>-</u>	<u>(358)</u>	<u>(1,431)</u>	<u>(4,603)</u>
Total restricted funds	5,478	6,288	(6,867)	(1,353)	3,546
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>127</u>	<u>294</u>	<u>(259)</u>	<u>(78)</u>	<u>84</u>
Total funds	<u>5,605</u>	<u>6,582</u>	<u>(7,126)</u>	<u>(1,431)</u>	<u>3,630</u>

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 13 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
General Annual Grant	-	5,387	(5,425)	-	(38)
Other DfE / ESFA grants	57	134	(191)	-	-
Other government grants	-	216	(216)	-	-
Teaching school	-	58	(58)	-	-
Other restricted funds	19	4	(23)	-	-
	<u>76</u>	<u>5,799</u>	<u>(5,913)</u>	<u>-</u>	<u>(38)</u>
<b>Restricted fixed asset funds</b>					
Restricted Fixed Asset Fund	8,486	25	(181)	-	8,330
<b>Restricted pension funds</b>					
Pension reserve	<u>(3,379)</u>	<u>-</u>	<u>(141)</u>	<u>706</u>	<u>(2,814)</u>
Total restricted funds	5,183	5,824	(6,235)	706	5,478
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>66</u>	<u>323</u>	<u>(262)</u>	<u>-</u>	<u>127</u>
Total funds	<u>5,249</u>	<u>6,147</u>	<u>(6,497)</u>	<u>706</u>	<u>5,605</u>

#### 14 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	8,165	8,165
Current assets	84	575	6	665
Current liabilities	-	(597)	-	(597)
Pension scheme liability	-	(4,603)	-	(4,603)
Total net assets	<u>84</u>	<u>(4,625)</u>	<u>8,171</u>	<u>3,630</u>

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

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 14 Analysis of net assets between funds (continued)

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	2018 Total funds £ 000
Tangible fixed assets	-	-	8,322	8,322
Current assets	127	258	8	393
Current liabilities	-	(296)	-	(296)
Pension scheme liability	-	(2,814)	-	(2,814)
Total net assets	<u>127</u>	<u>(2,852)</u>	<u>8,330</u>	<u>5,605</u>

#### 15 Commitments under operating leases

##### *Operating leases*

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

	2019 £ 000	2018 £ 000
Amounts due within one year	7	3
Amounts due between one and five years	<u>7</u>	<u>9</u>
	<u>14</u>	<u>12</u>

#### 16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2018/19 £ 000	2017/18 £ 000
Net expenditure	(544)	(350)
Depreciation	184	179
Capital grants from DfE and other capital income	(580)	(25)
Defined benefit pension scheme cost less contributions payable	282	63
Defined benefit pension scheme finance cost	76	78
(Increase)/decrease in debtors	(91)	99
Increase/(decrease) in creditors	<u>302</u>	<u>(50)</u>
Net cash used in Operating Activities	<u>(371)</u>	<u>(6)</u>



## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 17 Cash flows from investing activities

	2018/19 £ 000	2017/18 £ 000
Purchase of tangible fixed assets	(27)	(15)
Capital funding received from sponsors and others	580	25
Net cash provided by investing activities	553	10

#### 18 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	449	267
Total cash and cash equivalents	449	267

#### 19 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 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.

#### 20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Merseyside Pension Fund. 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 2017.

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

## **Range High School**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **20 Pension and similar obligations (continued)**

##### **The Teachers' Pension Budgeting and Valuation Account**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

##### **Scheme Changes**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £433,414 (2018: £447,788).

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

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

##### **Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £314,000 (2018 - £301,000), of which employer's contributions totalled £256,000 (2018 - £245,000) and employees' contributions totalled £58,000 (2018 - £56,000).

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 20 Pension and similar obligations (continued)

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

#### Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.20	1.90
Discount rate for scheme liabilities	1.80	2.10
Inflation assumptions (CPI)	<u>2.10</u>	<u>1.80</u>

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

	2019	2018
<b>Retiring today</b>		
Males retiring today	22.20	22.00
Females retiring today	27.80	24.80
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.00	25.00
Females retiring in 20 years	<u>27.90</u>	<u>27.80</u>

#### Sensitivity analysis

	2019 £000
Discount rate +0.1%	-170.00
Discount rate -0.1%	174.00
Mortality assumption – 1 year increase	151.00
Mortality assumption – 1 year decrease	-148.00
CPI rate +0.1%	173.00
CPI rate -0.1%	<u>-169.00</u>

The academy trust's share of the assets in the scheme were:

	2019 £ 000	2018 £ 000
Equities	1,916	1,777
Government bonds	383	116
Other bonds	206	403
Property	338	311
Cash and other liquid assets	120	106
Other	<u>788</u>	<u>704</u>
Total market value of assets	<u>3,751</u>	<u>3,417</u>

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 20 Pension and similar obligations (continued)

The actual return on scheme assets was £168,000 (2018 - £181,000).

#### Amounts recognised in the statement of financial activities

	2018/19 £ 000	2017/18 £ 000
Current service cost	288	302
Interest income	174	154
Admin expenses	5	4
Total amount recognized in the SOFA	<u>467</u>	<u>460</u>

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

	2018/19 £ 000	2017/18 £ 000
At start of period	6,231	6,461
Current service cost	288	302
Interest cost	174	154
Employee contributions	58	56
Actuarial (gain)/loss	1,502	(602)
Benefits paid	(144)	(140)
Past service cost	245	-
At 31 August	<u>8,354</u>	<u>6,231</u>

#### Changes in the fair value of academy's share of scheme assets:

	2018/19 £ 000	2017/18 £ 000
At start of period	3,417	3,082
Interest income	98	76
Actuarial gain/(loss)	71	104
Employer contributions	256	243
Employee contributions	58	56
Benefits paid	(144)	(140)
Effect of non-routine settlements	(5)	(4)
At 31 August	<u>3,751</u>	<u>3,417</u>

#### 21 Related party transactions

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

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 21 Related party transactions (continued)

There were no related party transactions in the year (2018: nil), other than certain trustees' remuneration and expenses already disclosed in note 8.

#### 22 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £7,158 and disbursed £9,556 from the fund. An amount of £27,560 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2018 are £9,988 received, £5,074 disbursed and £25,162 included in other creditors.

#### 23 Teaching school trading account

	2018/19 £ 000	2017/18 £ 000
<b>Income</b>		
<b>Direct Income</b>		
Other income	47	58
Total Income	47	58
<b>Expenditure</b>		
<b>Direct costs</b>		
Direct staff costs	37	44
<b>Other costs</b>		
Support staff costs	8	11
Other support costs	2	3
Total other costs	10	14
Total Expenditure	(47)	(58)
Surplus/(Deficit) from all sources	-	-
Teaching school balances at 31 August 2019	-	-

## Range High School

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 24 Statement of Financial Activities for the Year Ended 31 August 2018

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000
<b>Income and endowments from:</b>				
Donations and capital grants	235	4	25	264
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	-	5,737	-	5,737
Other trading activities	88	-	-	88
Teaching schools	-	58	-	58
<b>Total</b>	<b>323</b>	<b>5,799</b>	<b>25</b>	<b>6,147</b>
<b>Expenditure on:</b>				
Raising funds	259	-	-	259
<i>Charitable activities:</i>				
Academy trust educational operations	3	5,996	181	6,180
Teaching schools	-	58	-	58
<b>Total</b>	<b>262</b>	<b>6,054</b>	<b>181</b>	<b>6,497</b>
Net income/(expenditure)	61	(255)	(156)	(350)
<b>Other recognised gains and losses</b>				
Actuarial gains on defined benefit pension schemes	-	706	-	382
Net movement in funds/(deficit)	61	451	(156)	356
<b>Reconciliation of funds</b>				
Total funds/(deficit) brought forward at 1 September 2017	66	(3,303)	8,486	5,249
Total funds/(deficit) carried forward at 31 August 2018	127	(2,852)	8,330	5,605