

Gloucestershire Association of Secondary Headteachers Limited T/A Adfecto

Report to Directors

For the year ended 31 August 2021



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At a glance...



The financial statements for Gloucestershire Association of Secondary Headteachers Limited T/A Adfecto include an unqualified audit report for the year ended 31 August 2021.



Our review of systems and controls highlighted no areas for improvement during the year.



There were no unadjusted errors identified during our audit work.



Despite there being adjustments to your management accounts during the year end accounts preparation process, these were in accordance with the activities of the Company and none were of concern. A full reconciliation is found at section 5 of the report.



The risks identified during the audit are included within section 3 of the report.

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1. PURPOSE

Report to Directors

This document covers the audit of the financial statements for Gloucestershire Association of Secondary Headteachers Limited T/A Adfecto for the year ended 31 August 2021.



1.1 INTRODUCTION

The International Standards on Auditing (UK and Ireland) 260 require us to communicate significant matters arising from our audit to you.

In accordance with our normal practice we have prepared this report to summarise the principal matters that came to our attention during the course of the audit, which may include:

- **Key accounting issues impacting on the financial statements**
- **Outstanding matters to complete the audit**
- **Our views on accounting systems and controls**

Where an audit meeting is to take place, it can also be used as an agenda for the purposes of that meeting.

1.2 AUDIT COMMUNICATIONS

We explained our audit responsibilities and objectives, procedures and limitations in our letter of communications. This letter also explains our approach to reporting audit findings to management, taking account of your requirements as well as our professional responsibilities. This document discusses only the major issues arising from our audit.

1.3 ETHICAL STANDARDS

We are required to, and have complied with, the new and revised Ethical Standards issued by the Financial Reporting Council (FRC) and all threats to our independence, as identified to you in our planning communication letter, have been properly addressed through appropriate safeguards.

Randall & Payne LLP has procedures in place to ensure that its partners and professional staff comply with both the FRC's Ethical Standards and the Code of Ethics adopted by the Institute of Chartered Accountants in England and Wales.

No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention and we confirm that we are independent and able to express an objective opinion on the financial statements.

1.4 AUDIT SCOPE

The scope of our work has already been communicated to you via our Audit Communications letter dated 1st October 2021.

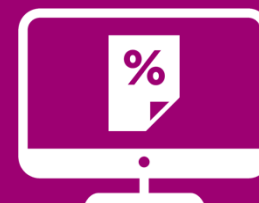
Matters may come to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily detect all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We consider that the audit approach adopted will provide the Directors with the required confidence that a thorough and robust audit has been carried out and can confirm that, at the date of this report, we anticipate no modifications to our audit report as noted in section 10 of the report.

This report has been prepared for the sole use of the Directors and must not be disclosed to any third party, or quoted or referred to, without our prior consent. No responsibilities are accepted by Randall & Payne LLP towards any party acting or refraining from action as a result of this report.



2. AUDIT PROCESS



2.0 AUDIT PROCESS

During the audit process, there are three main sections:

Audit planning Audit fieldwork Audit completion

The audit staff involved in the audit process were as follows:

Ryan Moore	Responsible Individual/Audit Director
Nathan Smith	Audit Manager

2.1 YEAR END MEETING AND ACCOUNTS PICKUP

The accounts information was uploaded to our secure online portal and a planning meeting held to discuss the year's activities. We were in contact throughout the year on various matters including budgets, funding and systems, and as such this meeting is more of a catch-up rather than detailed assessment of activities and events. We encourage the company to discuss activities with us through the year so that we are up to date with events at the time of the audit.

2.2 ACCOUNTS PREPARATION

The information was then brought back to Randall & Payne's offices to be prepared ensuring ethical requirements are met. These were then reviewed ready for the audit planning.

2.3 AUDIT PLANNING

Audit planning commenced once the accounts were prepared and available for review. Using the information obtained from the prior meeting and known activities within the company, a plan for how the audit is to be undertaken was established. Audit planning was then reviewed by Ryan, and an audit planning meeting took place between the team to share knowledge and to discuss and assess audit role and planning on how to approach the assignment.

2.4 AUDIT FIELDWORK AND COMPLETION

Nathan then completed the audit fieldwork on site on 5th and 6th October 2021. During this time, the finance team within the Company were readily available to assist us in accessing and finding documents and responding to queries.





Audit completion involves pulling together the findings from the audit fieldwork and concluding on the audit overall. Work is undertaken in order to communicate with the company and ensure our overall opinion on the financial statements are reasonable. This work is undertaken in Randall & Payne's offices following completion of the fieldwork and accounts preparation.





Following the preparation of the audit completion, Ryan reviewed the file, ready for the accounts and Reports to Directors to be distributed prior to a meeting whereby they are then approved and signed.





3. AUDIT RISKS IDENTIFIED AT PLANNING STAGE











Areas that we identified during the audit planning stage as being a significant audit risk area, in respect of the financial statements and the audit process, are detailed below.

Revenue recognition			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>An inherent risk in the company is the recognition of revenue and ensuring that cut-off is appropriately treated.</p> <p>With a large amount of the income being SERCO based, this can be agreed to remittances throughout the period which are clearly dated. However, it is still key to ensure that any other income is appropriately recorded in the accounts.</p>	<p>Obtain external confirmations of the amount of SERCO income expected to be received and assess the source documentation upon which this is based. Ensure that amounts received in the bank agree to payment schedules or income is accrued for accordingly.</p> <p>For other income (i.e. computing hub, science sessions), ensure that any initial documentation triggering the sale (i.e. booking forms) agrees to the invoices being raised and monies received.</p>	<p>Income appears appropriately recognised in the accounts, with accrued income being recognised in order to apportion an appropriate level of income within the accounts.</p> <p>Other income appears to have been appropriately recognised in the accounts, with debtors appearing recoverable, therefore giving satisfaction that the income is indeed free from material misstatements.</p>	<p>Income appears to be appropriately presented in the accounts.</p>

Management override			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
Despite there being controls and systems in place, there is always the potential for management and key employees to be able to override the prescribed processes and alter the accounts in a material or fraudulent manner.	<p>A review of the systems and controls was undertaken to ensure that these were sufficient. A walkthrough test on each area was also carried out to ensure that systems were being followed.</p> <p>Journal adjustments through the system were also reviewed.</p> <p>Key accounting estimates will be reviewed for bias in comparison to sector specific items.</p> <p>We will consider whether any of the transactions reviewed at any point of the audit are significant or unusual or outside of the company’s normal course of business.</p>	<p>Review of systems and controls did not highlight any significant errors or issues further to our Interim Systems Review. This has been reviewed further in section 7.</p> <p>Estimates and accounting policies used in the accounts appear reasonable and in line with expectations.</p> <p>No unexpected unusual transactions were identified as part of the audit.</p>	There were no major issues identified through a review of the systems and controls.

Related party transactions			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>With the growing publicity that academic organisations are receiving, it is important to ensure that related party transactions are disclosed accordingly in the accounts.</p> <p>With Directors of the company also being key management in Academies, highlighting the transactions as a result of this relationship is vital.</p>	<p>Review the declarations of interest and ensure that any transactions identified have been appropriately approved and disclosed in the accounts.</p> <p>Perform searches on the directors to identify any other entities that the company may have transacted with.</p> <p>Ensure disclosures with related parties are appropriately disclosed.</p>	<p>The related party transactions identified during the year in relation to staff recharges for member schools and working sessions. These were correctly disclosed within the accounts.</p> <p>Also appropriately disclosed were the expenditure transactions incurred on behalf of GITEP , as well as the computing hub income.</p>	<p>Related party transactions appear to have been appropriately disclosed and appear reasonable in the accounts.</p>

Going concern			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>With income very dependent upon the demand for courses and SBM programmes, income can fluctuate from year to year and therefore can be difficult to forecast.</p> <p>This risk has an effect on the way in which the accounts are prepared and any opinions on the future of the company, and as such is a key area of focus.</p>	<p>Discuss the activities of the company in the current year and how future plans will affect the financial results going forward.</p> <p>Review budgets and forecasts prepared during the year and assess the basis upon which they have been prepared.</p> <p>Flex budgets and forecasts in order to assess how sensitive they are to change and whether this would impact the going concern basis.</p>	<p>The company has a significant amount of reserves built up from operating activities over the years, which allows for sufficient financial headroom to recover any deficits in the future.</p> <p>The next 12 months there are a number of key contracts which will require re-tendering for in order to secure substantial future income, however given the structure of the entity it is not considered to be a significant going concern risk.</p> <p>There is a deficit forecast for 2021/22, however the impact of this on going concern is mitigated by a significant cash at bank and reserves balance.</p>	<p>Despite the deficit forecast in 2021/22, the reserves and cash in hand is deemed sufficient to cover the deficit planned. We therefore consider the company able to continue as a going concern.</p>

Expenditure Cut-Off			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
An inherent risk in any organisation is the recognition of expenditure and ensuring cut-off is appropriately treated. This in turn impacts on the completeness and accuracy of creditor balances.	A sample of post year-end invoices and bank payments are selected and traced through to supporting documentation and then to the creditor and accruals schedules to ensure they are included within the correct financial year.	<p>Overall, based on the sample tested, expenditure cut-off appears to be appropriate with no material misstatement of expenditure which appears to be included within the correct financial year.</p> <p>Invoices appear to have been allocated to the correct period, with accruals correctly adjusting for any transactions relating to 2021/22, invoiced post year-end.</p>	Expenditure appears to be appropriately reflected within the financial statements and free from material misstatement.

4. AUDIT TESTING



4.0 AUDIT TESTING

During our audit testing, we split the accounts into defined sections, and undertake various tests on each section accordingly.

An overview of our testing is as follows.

4.1 TRUSTEES AND RELATED PARTY TRANSACTIONS

No matter on the value, related party transactions are required to be disclosed in the accounts as per the accounting standards. Our work is to ensure that the disclosures are complete and accurate, and it appears that this is indeed the case for the transactions with related parties.

The related party transactions identified during the year were in relation to staff recharges for member schools and working sessions. These were correctly disclosed within the accounts.

There were no trustees remuneration or expenses paid during the year and therefore a £nil disclosure has been made in that respect within the financial statements.

4.2 FIXED ASSETS

Audit work done on fixed assets is to ensure that they are complete, valued appropriately, physically exist and are the ownership of the company.

A sample of fixed assets in the asset register were selected and audit testing did not highlight issues with these items.

Any repairs and renewals and other related costs attributed to the P&L were also reviewed to ensure that they also should not be capitalised, and have been expended in the year.

4.3 INCOME AND DEBTORS

Each month a payment schedule is provided to Adfecto by Serco, detailing the amounts, invoice numbers and order numbers for each transaction. These are then raised on Sage and issued accordingly. STEM invoices are also raised, however these tend to be fixed fees. Invoices are raised and the amounts agreed to the emails from STEM to confirm the correct balances are being invoiced.

Debtors and accrued income were assessed at the year end to ensure recoverability and, therefore, valuations were reasonable. Our sample did not identify any issues in relation to the debtors balances within the financial statements.

4.4 BANK AND CASH

Bank reconciliations are performed by the Finance Manager and the balance per the statement is reconciled to the system with an outstanding transaction report being printed. This reconciliation is then reviewed and authorised by the Business Development Manager.

When reviewing the bank reconciliations, it was clear they had been completed accurately, agreed to the bank statement and were authorised.

As part of the review, the bank balances were agreed to the online banking balance to provide assurances that the statements were valid and accurate.

Petty cash reimbursements were also reviewed for signs of unauthorised payments, of which no issues were identified.

4.5 PURCHASES AND CREDITORS

A sample of purchases made by the organisations were selected and details entered on to the system were agreed to the details of the invoice in order to confirm that classification is appropriate. A check was undertaken to ensure that transactions had followed the appropriate authorisation process and had gone through the tender process where applicable.

It appears that within the sample selected items were appropriately ordered, authorised and entered onto the system, with subsequent payments made through the bank. All items were authorised appropriately and of the transactions tested none appeared contentious.

4.5 PURCHASES AND CREDITORS cont

Cut-off of expenditure in the accounts appears reasonable with no material issues to note. Post year-end reviews are completed in order to ensure all expenditure is posted within the correct year and any additional creditors are identified.

Creditors were assessed at the year end to ensure no disputes in balances and, therefore, valuations were reasonable. Our sample did not identify any issues and it was confirmed that creditors were appropriately valued within the financial statements.

4.6 PROVISIONS

We reviewed the post balance sheet events to establish whether there are any events that may be disclosable in the 2020 accounts. No items were identified, following confirmation from management (see section 11).

A minutes review was completed during the year and it was pleasing to see a wide range of important topics being discussed and a cohesive Board ensuring that accurate decision making is being made.

4.7 WAGES AND SALARIES

Our payroll sample included testing both the single employee within the payroll system, as well as a sample of recharged salary invoices.

The individual through payroll was reviewed, noting the gross salary and any deductions and employer contributions. This gross salary was then checked to a contract/ salary statement to confirm that the correct amount of salary was being received. It is pleasing to see that there is a clear salary statement letter on file which has been issued to the client and recorded on their file which validates the contracted salary and will prevent any potential disputes.

Finally employee existence was confirmed by evidence from the personnel files. Therefore no misstatements were identified within the sample selected.

4.8 JOURNALS

As noted in section 3 of this report, management override is a key area that we need to be aware of in all audits. A review of a sample of journals was undertaken to ensure that the financial records had not been altered in such a way to materially impact the figures against the usual activities of the company. Our testing did not appear to highlight issues of this type, as journals posted appear reasonable.

4.9 CLIENT COMMENTS



5. ADJUSTMENTS MADE DURING ACCOUNTS PREPARATION



During the accounts preparation, a number of adjustments were made as follows:

Description	£
Surplus/(Deficit) per TB	(5,061)
Accounting for retrospective change of depreciation policy Additional depreciation charge	(3,216)
Accounting for disposals of fixed assets Loss on disposal of fixed assets	(171)
Deficit per accounts	(8,448)

The above adjustments have been agreed by the Finance Manager and should be adjusted for in the accounts for the period ended 31 August 2021.

6. FINANCIAL PERFORMANCE SUMMARY (4 YEAR REVIEW)



GASH summary financial performance

The summary four-year results as shown in the entity's accounting records:

	2020/21 £	2019/20 £	2018/19 £	2017/18 £
Income				
Training courses and conferences	590,206	641,464	639,521	848,712
Other income	8,100	1,860		
Interest received	9,057	9,457	9,436	1,635
Total Income	607,363	652,781	648,957	850,347
Expenditure				
Cost of generating funds	-610,430	-597,052	-747,485	-947,205
Support costs	-5,381	-5,449	-8,544	-8,565
	-615,811	-602,501	-756,029	-955,770
(Deficit)/Surplus	(8,448)	50,280	-107,072	-105,423
Reserve brought forward	1,085,766	1,035,486	1,142,558	1,247,981
Reserve carried forward	1,077,318	1,085,766	1,035,486	1,142,558

Summary financial performance for the Gloucestershire Initial Teacher Education Partnership (GITEP)

The summary four-year results as shown in the entity's accounting records:

	2020/21 £	2019/20 £	2018/19 £	2017/18 £
Income	787,692	674,516	653,180	603,678
ITT Bursaries	1,372,000	1,298,750	1,288,291	784,017
SKE Bursaries/Programme	31,850	162,600		
Total Income	2,191,542	2,135,866	1,941,471	1,387,695
Expenditure	-2,227,948	-2,143,762	-1,996,466	-1,403,443
(Deficit)/Surplus	-36,406	-7,896	-54,995	-15,748
Reserve brought forward	334,561	342,457	397,452	413,200
Reserve carried forward	298,155	334,561	342,457	397,452

7. UNADJUSTED / ADJUSTED MISSTATEMENTS



7.0 UNADJUSTED / ADJUSTED MISSTATEMENTS

A summary of the adjusted/ unadjusted errors identified during the course of our work is normally included below, however none were identified during the period. We have not disclosed below those items that we consider to be “clearly trivial” in the context of our audit.

On behalf of the Trustees, I confirm that there were no further transactions which should be adjusted for in the financial statements of the year ended 31 August 2021.

.....
Trustee

.....
Date

8. INTERNAL SYSTEMS AND CONTROLS



8.0 INTERNAL SYSTEMS AND CONTROLS

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements 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 internal controls. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported below are limited to those deficiencies that we have identified during the audit.

Overall, considering the size and nature of the entity, it is considered that Company has a good overall system of internal control.

There were no deficiencies in internal control identified during the audit process, and overall the level of controls and systems in place appear sufficient to mitigate risks of material misstatement and override.



9. JUDGEMENTAL ISSUES



9.0 JUDGEMENTAL ISSUES

As part of the audit standards and in line with our audit processes, we are required to obtain an understanding as to the rationale behind accounting estimates and judgements. As such, we have reviewed the following areas.

9.1 DEPRECIATION RATES

We have reviewed the rates at which the fixed assets are depreciated, and a review of the useful lives of items and the residual values in the accounts.

There was a change in the depreciation rates per the Finance Policy during the year and therefore a change in accounting policy. Under FRS102, a change in accounting policy can be as a result of two things:

- Change in the standards
- To make the accounts more reliable and relevant

The change in depreciation policy from 33% reducing balance to 4 year straight line is deemed to be a more reliable and relevant policy when considering the useful life of fixed assets.

Per FRS102 a change in accounting policy should be retrospectively applied as if it has always been in place. This has been applied to the financial statements with the impact being summarised to the right.

The impact on the depreciation charge in year has been summarised below:

Asset Type	Previous Depreciation Policy	Depreciation Charge
Fixtures & Fittings	33% reducing balance	610
Office Equipment	33% reducing balance	390
Computer Equipment	33% reducing balance	3,439

Asset Type	Revised Depreciation Policy	Depreciation Charge
Fixtures & Fittings	4 years straight line	802
Office Equipment	4 years straight line	252
Computer Equipment	4 years straight line	6,601

The overall additional depreciation charge during the year was £3,216. This has resulted in the closing net book values within the accounts to change and remove the continual residual balances being held which was the case in the prior policy.

10. AUDIT OPINION



10.1 STATUTORY AUDIT

As a result of the audit work we have undertaken, we have concluded that the financial statements appear to be free from material misstatement. Therefore the report contained within the draft financial statements will become the audit report in the final financial statements, subject to satisfactory clearance of any outstanding matters. This is the standard unmodified audit report. The audit opinion specifically written in the accounts will be as follows:

In our opinion the financial statements:

- *give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended*
- *have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- *have been prepared in accordance with the requirements of the Charities Act 2011.*

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- *the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or*
- *sufficient accounting records have not been kept; or*
- *the financial statements are not in agreement with the accounting records and returns; or*
- *we have not received all the information and explanations we require for our audit.*

11. OUTSTANDING MATTERS TO COMPLETE AUDIT



11.1 POST-BALANCE SHEET EVENTS

Prior to signing the audit report, we will need to complete an up to date Post Balance Sheet Events Review. Please can you confirm that you are not aware of any events that may impact these financial statements? This assessment should extend to 12 months from the signing of the accounts. This is included in the letter of representation.

Client Comments



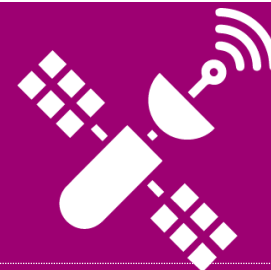
11.2 LETTER OF REPRESENTATION

A letter of representation will be issued with the financial statements and we shall forward this for approval by separate cover.

Client Comments



12. CONTACT PROGRAMME



12. CONTACT PROGRAMME

March/April 2022	Completion of interim and systems testing
September 2022	Pick-up of accounts information and preparation of year-end accounts Report from Directors provided by organisation for inclusion in the year-end accounts
October 2022	Audit planning, audit fieldwork and audit completion Issue of Report to Directors in advance of Directors' meeting Annex G grant audit fieldwork
November 2022	Attendance (if required) of Randall & Payne at Directors' meeting regarding audit and accounts findings and sign off of the accounts
December 2022	Submission of accounts in advance of deadline Completion and submission of Annex G grant for GITEP

Thinking to capitalise on

randall-payne.co.uk

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Chargrove House, Shurdington Road, Cheltenham, GL51 4GA

The firm is not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services to clients because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide.

**GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS
LIMITED**

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

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GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	M Morgan, Chair S Tufnell (resigned 1 September 2020) R Ellicott S Layhe W Morgan G Watson D Burke (appointed 12 October 2020) K Harrison (appointed 1 October 2020, resigned 1 September 2021) J Maunder (appointed 1 September 2021)
Company registered number	02876158
Charity registered number	1152261
Registered office	Unit 23 The Steadings Business Centre Church Road, Maisemore Gloucester Gloucestershire GL2 8EY
Company secretary	A Stokes
Independent auditors	Randall & Payne LLP Chartered Accountants Shurdington Road Cheltenham Gloucestershire GL51 4GA
Bankers	Virgin Money 5 Northgate Street Gloucester GL1 2AH

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objectives and activities

The aims and objectives of the Charity are to advance the education of the public in general, in particular amongst primary and secondary schools, and to provide initial teacher training and continual professional development.

In striving towards this, the Charity has considered the Charity Commissioners guidance on public benefit and the Charity operates in order to ensure the best possible provision of education and services for young people in Gloucestershire's secondary schools.

The Trustees confirm that due consideration has been given to the Charity's Commission published guidance on the Public Benefit requirement under the Charities Act 2011.

b. Strategies for achieving objectives

The Charity supports schools by offering professional development and advice at little or, preferably, no cost to schools. It also adds capacity to enable schools to deliver specific projects and aims to be financially self-supporting by working on contracts and projects regionally and nationally.

c. Grant-making policies

The Trustees consider applications for specific grants to support particular projects.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

a. Main achievements of the Company

In line with its aims and objectives the trustees and Board of Directors have achieved the following during the previous 12 months:

Initial Teacher Training

In 2020/21 the Charity continued to support the Gloucestershire Initial Teacher Education Partnership (GITEP) School Centred Initial Teacher Training (SCITT). The Charity continues to have a partnership with the University of Bristol to provide the accreditation for the Postgraduate Certificate of Education for GITEP trainees.

The Charity continues to guarantee and deliver the trainee entitlement including providing parent placements, twin placements and school-centred professional development. This supports trainee progression and provides career development opportunities for school-based staff who fulfil mentor and training manager roles, or are seconded as programme or subject leaders. In 2020/21 68% of trainees gained employment either in Gloucestershire or in one of the three GITEP partner schools in other counties.

In previous years the Charity has used some of its reserves to award bursaries to support internships for undergraduates interested in teaching. The first bursaries were awarded in 2017/18, following an application process, and six people (50% of the first cohort) have now undertaken the full initial teacher training programme.

The closure of schools due to Covid presented significant problems for trainee teachers in 2020/21. The Charity was pleased to support them by providing visualisers to enable trainees to teach remotely.

With the support of GASH Ltd, GITEP SCITT, bid successfully to the DfE to become a provider of subject knowledge enhancement courses, one of 40 national providers. The intention is to work mostly with applicants for teacher training in the immediate region.

CPD

Through Adfecto, a trading name, GASH Ltd has continued to offer professional development opportunities for schools.

Newly Qualified Teacher (NQT) Programme

There were 110 NQTs registered for this free programme which includes subject sessions, whole school topics and individual mentoring.

Science Learning Partnership

This contract with STEM Learning was extended until March 2022. Through the Partnership, CPD and support for science departments is offered to schools in Gloucestershire, Swindon and Wiltshire. During the year the SLP took on additional responsibility for coordinating other SLPs in the South West.

Computing Hub

Pate's Grammar School, working in partnership with Adfecto, leads a Computing Hub for Gloucestershire, Wiltshire, Swindon, Bristol and Bath.

All programmes continued online through Covid-19 school closures and restrictions.

Early Career Framework

Adfecto was pleased to work with the two newly designated teaching school hubs, Balcarras School and Pate's Grammar School, to help set up the Early Career Teacher programme for Gloucestershire. Well over 200 Early Career Teachers are registered on the programme for 2021/22.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance (continued)

Adfecto supported three bids to become a teaching school hub and looks forward to working with the successful schools.

School Business Managers

Adfecto is part of the SBM Partnership, along with Serco and the Institute of School Business Leaders (ISBL). These programmes continued, mostly online, throughout 2020/21.

b. Key performance indicators

Initial Teacher Training

It was a very difficult year to train to be a teacher, with schools closed from January to March. Despite this, 97% of trainees due to complete in 2020/21 finished the course. 94% are employed in schools, 68% in Gloucestershire or GITEP SCITT partner schools.

Science Learning Partnership

The SLP responded well to supporting schools through Covid measures and continues to perform well against most measures.

Computing Hub

The Computing Hub hit most of its KPIs during the year and is one of the best performing nationally.

School business manager programmes

Many of these programmes were already online. Numbers continued to be strong with over 300 participants over the year.

c. Review of activities

The principal activities in the year under review were:

Initial teacher training
Continued professional development (CPD)
School improvement projects
School Business Manager training programmes

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

b. Reserves policy

As at 31 August 2021, total reserves were £1,077,318 (2020: £1,085,766). The reserve is unrestricted and for use at the discretion of the Trustees to fulfil the Charity's objectives.

The Charity aims to hold £500,000 of funds in reserve at the end of the financial year to meet all employment costs, including redundancies, and other business closure costs.

The Charity aims to use the surplus to provide free courses and support for schools and teacher training in line with their charitable aims.

c. Principal risks and uncertainties

The board have from time to time discussed and assessed the major risks to which the Charity is exposed and considered safeguards that have been and can be implemented to mitigate those risks. In accordance with the Statement of Recommended Practice for Charities the Trustees review and update the formal risk assessment annually.

d. Financial review

During the year, the Charity received a total income of £607,363 (2020: £652,781) and incurred expenditure of £615,811 (2019: £602,501) which has resulted in a deficit of £8,448 (2020 surplus: £50,280) for the year. As at 31 August 2021, total funds stood at £1,077,318 (2020: £1,085,766) all of which were retained in order to achieve the objectives of the Charity.

Structure, governance and management

a. Constitution

Gloucestershire Association of Secondary Headteachers Limited is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

As Gloucestershire Association of Secondary Headteachers Limited was established for the benefit of secondary schools within Gloucestershire and in accordance with the Articles of Association, all members of the Gloucestershire Association of Secondary Headteachers are entitled to become members of the Charity.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

The Trustees are appointed either at the Charity's AGM, under the recommendation of the majority of members, or in year by the Board. Trustees appointed by the Board retain office until the next AGM when they become eligible for re-election.

In order to ensure the maintenance of the Charity's objectives, the board must have a minimum of 3 members. The board currently has 7 Headteacher members consisting of:

M Morgan (Chair)
R Ellicott
W Morgan
D Burke
K Harrison
G Watson
S Layhe

The Trustees of Gloucestershire Association of Secondary Headteachers Limited may delegate certain authorities to specific Trustees or other persons as is felt necessary. In the period, such delegated authority was given to T Connole (Chief Executive ex officio).

When appointing newly elected Trustees, Gloucestershire Association of Secondary Headteachers Limited has a policy of induction which includes ensuring that they are fully aware of their responsibilities in relation to both Companies House and Charities Commission guidance and the Charity's objectives.

Plans for future periods

GASH Ltd will continue to develop its work in initial teacher training. Through Adfecto it will continue to provide and develop CPD courses for serving teachers, especially NQT's.

During 2021/22 we plan to:

- Support GITEP in embedding the partnership with the University of Bristol to improve the quality of teacher training in Gloucestershire;
- Continue to invest in professional development programmes through Adfecto, particularly Shoulder to Shoulder and Practice Matters;
- Develop the consultancy offered by the Charity, especially support for headteachers;
- Build on the partnership with STEM Learning to offer support for science and computing teachers across the region;
- Develop and market the School Business Manager programmes through the SBM Partnership;
- Continue to work in partnership with the teaching schools in Gloucestershire; in particular GASH Ltd will support bids for the new teaching school hubs

All plans for 2021/22 will have to take into consideration the impact of Covid-19 and the increase in remote learning at all levels.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

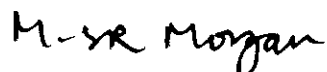
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

Auditors

The auditors, Randall & Payne LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



M Morgan
(Chair of Trustees)
Date: 4 February 2022

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOUCESTERSHIRE ASSOCIATION OF
SECONDARY HEADTEACHERS LIMITED**

Opinion

We have audited the financial statements of Gloucestershire Association of Secondary Headteachers Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOUCESTERSHIRE ASSOCIATION OF
SECONDARY HEADTEACHERS LIMITED (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOUCESTERSHIRE ASSOCIATION OF
SECONDARY HEADTEACHERS LIMITED (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

we obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include but are not limited to compliance with the Companies Act 2006, Financial Reporting Standard applicable in the UK and the Charities SORP 2019;

- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

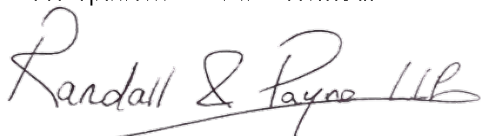
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOUCESTERSHIRE ASSOCIATION OF
SECONDARY HEADTEACHERS LIMITED (CONTINUED)**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Randall & Payne LLP

Chartered Accountants

Shurdington Road

Cheltenham

Gloucestershire

GL51 4GA

Date: 7 February 2022

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Charitable activities	3	598,306	598,306	643,323
Investments	4	9,057	9,057	9,457
Total income		607,363	607,363	652,780
Expenditure on:				
Charitable activities	5	615,811	615,811	602,501
Total expenditure		615,811	615,811	602,501
Net movement in funds		(8,448)	(8,448)	50,279
Reconciliation of funds:				
Total funds brought forward		1,085,765	1,085,765	1,035,486
Net movement in funds		(8,448)	(8,448)	50,279
Total funds carried forward		1,077,317	1,077,317	1,085,765

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

The notes on pages 16 to 30 form part of these financial statements.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02876158

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	4,409	12,235
		<u>4,409</u>	<u>12,235</u>
Current assets			
Debtors	10	89,522	68,856
Cash at bank and in hand		1,049,424	1,078,272
		<u>1,138,946</u>	<u>1,147,128</u>
Creditors: amounts falling due within one year	11	(66,037)	(73,597)
Net current assets		<u>1,072,909</u>	<u>1,073,531</u>
Total assets less current liabilities		<u>1,077,318</u>	<u>1,085,766</u>
Net assets		<u>1,077,318</u>	<u>1,085,766</u>
Total net assets		<u><u>1,077,318</u></u>	<u><u>1,085,766</u></u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02876158

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	13	-	-
Unrestricted funds	13	1,077,318	1,085,766
Total funds		<u>1,077,318</u>	<u>1,085,766</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

M. SR Morgan

M Morgan
(Chair of Trustees)
Date: 4 February 2022

The notes on pages 16 to 30 form part of these financial statements.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(37,905)	150,077
Cash flows from investing activities		
Interest received	9,057	9,457
Purchase of tangible fixed assets	-	(8,382)
Net cash provided by investing activities	9,057	1,075
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(28,848)	151,152
Cash and cash equivalents at the beginning of the year	1,078,272	927,120
Cash and cash equivalents at the end of the year	<u>1,049,424</u>	<u>1,078,272</u>

The notes on pages 16 to 30 form part of these financial statements

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Gloucestershire Association of Secondary Heateachers Limited("the Charity") is a registered charity and company limited by guarantee. It is governed by its Memorandum and Articles of Association.

The guarantee of each member is limited to £1. The company was granted charitable status on 3 June 2013.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gloucestershire Association of Secondary Headteachers Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The directors have considered the risks and issues concerning the Charity and its activities, and conclude that there are no material uncertainties that may cast doubt about the Charity's ability to continue as a going concern.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- 4 years straight line
Office equipment	- 4 years straight line
Computer equipment	- 4 years straight line

There was a change in accounting policy in relation to an update of the depreciation policies above. In line with FRS102, these revised policies have been applied retrospectively and present the accounts in a more reliable and relevant manner.

2.7 Debtors

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

2.8 Cash at bank and in hand

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

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.9 Liabilities and provisions

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 Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

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

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

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

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Training courses and conferences	590,206	590,206
Other income	8,100	8,100
Total 2021	<u>598,306</u>	<u>598,306</u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Training course and conferences	641,463	641,463
Other income	1,860	1,860
<i>Total 2020</i>	<u>643,323</u>	<u>643,323</u>

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income - interest	<u>9,057</u>	<u>9,057</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income - interest	<u>9,457</u>	<u>9,457</u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Staff and facilitator costs	201,851	201,851
Bank charges	82	82
Conference costs	212,746	212,746
Consultancy and contractors	116,805	116,805
Rent and rates	27,564	27,564
Depreciation charges	7,655	7,655
Computer and IT costs	23,397	23,397
Insurances	3,605	3,605
Printing, stationery and office consumables	4,124	4,124
Repairs, renewals and other premises costs	5,929	5,929
Marketing and Advertising	6,672	6,672
Audit, accountancy and other fees	5,381	5,381
Total 2021	<u>615,811</u>	<u>615,811</u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Staff and facilitator costs	185,609	185,609
Bank charges	179	179
Conference costs	219,581	219,581
Consultancy and contractors	124,060	124,060
Rent and rates	29,890	29,890
Depreciation charges	3,968	3,968
Computer and IT costs	12,205	12,205
Insurances	3,451	3,451
Printing, stationery and office consumables	5,124	5,124
Repairs, renewals and other premises costs	6,373	6,373
Marketing and Advertising	6,612	6,612
Audit, accountancy and other fees	5,449	5,449
<i>Total 2020</i>	<u>602,501</u>	<u>602,501</u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Staff and facilitator costs	201,851	-	201,851
Bank charges	82	-	82
Conference costs	212,746	-	212,746
Consultancy and contractors	116,805	-	116,805
Rent and rates	27,564	-	27,564
Depreciation charges	7,655	-	7,655
Computer and IT costs	23,397	-	23,397
Insurances	3,605	-	3,605
Printing, stationery and office consumables	4,124	-	4,124
Repairs, renewals and other premises costs	5,929	-	5,929
Marketing and Advertising	6,672	-	6,672
Audit, accountancy and other fees	-	5,381	5,381
Total 2021	610,430	5,381	615,811

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Staff and facilitator costs	185,609	-	185,609
Bank charges	179	-	179
Conference costs	219,581	-	219,581
Consultancy and contractors	124,060	-	124,060
Rent and rates	29,890	-	29,890
Depreciation charges	3,968	-	3,968
Computer and IT costs	12,205	-	12,205
Insurances	3,451	-	3,451
Printing, stationery and office consumables	5,124	-	5,124
Repairs, renewals and other premises costs	6,373	-	6,373
Marketing and Advertising	6,612	-	6,612
Audit, accountancy and other fees	-	5,449	5,449
<i>Total 2020</i>	<u>597,052</u>	<u>5,449</u>	<u>602,501</u>

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	5,200	5,150
Fees payable to the Company's auditor in respect of: All non-audit services not included above	<u>1,350</u>	<u>1,300</u>

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	16,291	12,015	22,162	50,468
Disposals	(5,288)	(576)	(2,393)	(8,257)
At 31 August 2021	<u>11,003</u>	<u>11,439</u>	<u>19,769</u>	<u>42,211</u>
Depreciation				
At 1 September 2020	15,445	11,702	11,085	38,232
Charge for the year	802	252	6,601	7,655
On disposals	(5,244)	(515)	(2,326)	(8,085)
At 31 August 2021	<u>11,003</u>	<u>11,439</u>	<u>15,360</u>	<u>37,802</u>
Net book value				
At 31 August 2021	<u>-</u>	<u>-</u>	<u>4,409</u>	<u>4,409</u>
At 31 August 2020	<u>846</u>	<u>313</u>	<u>11,076</u>	<u>12,235</u>

10. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	78,786	15,103
Prepayments and accrued income	10,736	53,753
	<u>89,522</u>	<u>68,856</u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	47,472	29,080
Accruals and deferred income	18,565	44,517
	<u>66,037</u>	<u>73,597</u>
	2021 £	2020 £
Deferred income at 1 September 2020	26,486	-
Resources deferred during the year	5,300	26,486
Amounts released from previous periods	(26,486)	-
	<u>5,300</u>	<u>26,486</u>

Deferred income in the year related to Steering Group Funding for 2021/2022. The prior year deferred income related to stage payments due to be received by trainees on the SBM programme.

12. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,049,424</u>	<u>1,078,272</u>
	2021 £	2020 £
Financial liabilities		
Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	<u>66,037</u>	<u>73,597</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial liabilities measured at fair value through income and expenditure comprise current liabilities.

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
Reserves	1,085,766	607,363	(612,424)	1,080,705
Unallocated amounts	-	-	(3,387)	(3,387)
	<u>1,085,766</u>	<u>607,363</u>	<u>(615,811)</u>	<u>1,077,318</u>

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
Reserves	1,035,486	652,781	(602,501)	1,085,766
	<u>1,035,486</u>	<u>652,781</u>	<u>(602,501)</u>	<u>1,085,766</u>

14. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
General funds	1,085,766	607,363	(615,811)	1,077,318
	<u>1,085,766</u>	<u>607,363</u>	<u>(615,811)</u>	<u>1,077,318</u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2020 £</i>
General funds	1,035,486	652,781	(602,501)	1,085,766

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,409	4,409
Current assets	1,138,945	1,138,945
Creditors due within one year	(66,037)	(66,037)
Difference	1	(1)
Total	1,077,318	1,077,318

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	12,235	12,235
Current assets	1,147,128	1,147,128
Creditors due within one year	(73,597)	(73,597)
Total	1,085,766	1,085,766

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(8,448)	50,279
Adjustments for:		
Depreciation charges	7,655	3,968
Interest received	(9,057)	(9,457)
Loss on the sale of fixed assets	171	-
Decrease/(increase) in debtors	(20,666)	74,213
Increase/(decrease) in creditors	(7,560)	31,074
Net cash provided by/(used in) operating activities	(37,905)	150,077

17. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,049,424	1,078,272
Total cash and cash equivalents	1,049,424	1,078,272

18. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,078,272	(28,848)	1,049,424
	1,078,272	(28,848)	1,049,424

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Operating lease commitments

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	34,048	31,107
Later than 1 year and not later than 5 years	64,000	24,697
	<u>98,048</u>	<u>55,804</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021	2020
	£	£
Operating lease rentals	27,572	30,766
Changes in lease payments arising from COVID-19 related rent concessions	<u>-</u>	<u>-</u>

GLOUCESTERSHIRE ASSOCIATION OF SECONDARY HEADTEACHERS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Related party transactions

During the year expenditure of £28,701 (2020: £42,630) was incurred on behalf of GITEP (Gloucestershire Initial Teacher Education Partnership) in relation to staff costs, an entity primarily controlled by Gloucestershire Association of Secondary Headteachers Limited Trustees. This expenditure was recharged to GITEP in full. Overheads are also recharged to GITEP to cover costs incurred by GASH on their behalf. Income during the year totalled £47,591 (2020: £68,911). At the year end, Gloucestershire Association of Headteachers Limited has a balance owing to GITEP of £5,838 (2020: £nil) and a balance owing from GITEP of £8,652 (2020: £4,807).

During the year computing hub income was received of £119,693 (2020: £80,625) from Pate's Grammar School. At the year-end a debtor balance of £53,985 (2020: £50,403) was due. During the year there was also an intro subject lesson incurred, totalling expenditure of £100 (2020: £nil). No creditor balance was owing at the year-end.

During the year lunch costs recharge income was received of £nil (2020: £154) from Sir Thomas Rich's School. At the year-end no balances were owing. During the year subject session costs of £nil (2019: £nil) were recharged from Sir Thomas Rich's School. At the year-end no balances were owing.

During the year staff costs of £101,102 (2020: £142,878) were recharged from St Peter's Catholic High School & Sixth Form Centre. At the year-end a balance of £13,947 (2020: £13,701) was owing to St Peters Catholic High School.

During the year subject session costs of £nil (2020: £150) were recharged from The Cotswold School Academy Trust. At the year-end no balances were owing.

During the year subject session costs of £350 (2020: £nil) were recharged from Chosen Hill School. At the year-end no balances were owing.

Gloucestershire Association of Secondary Headteachers Limited T/A Adfecto

Report to Directors

For the year ended 31 August 2021



Contact: Nathan Smith

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At a glance...



The financial statements for Gloucestershire Association of Secondary Headteachers Limited T/A Adfecto include an unqualified audit report for the year ended 31 August 2021.



Our review of systems and controls highlighted no areas for improvement during the year.



There were no unadjusted errors identified during our audit work.



Despite there being adjustments to your management accounts during the year end accounts preparation process, these were in accordance with the activities of the Company and none were of concern. A full reconciliation is found at section 5 of the report.



The risks identified during the audit are included within section 3 of the report.

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1. PURPOSE

Report to Directors

This document covers the audit of the financial statements for Gloucestershire Association of Secondary Headteachers Limited T/A Adfecto for the year ended 31 August 2021.



1.1 INTRODUCTION

The International Standards on Auditing (UK and Ireland) 260 require us to communicate significant matters arising from our audit to you.

In accordance with our normal practice we have prepared this report to summarise the principal matters that came to our attention during the course of the audit, which may include:

- **Key accounting issues impacting on the financial statements**
- **Outstanding matters to complete the audit**
- **Our views on accounting systems and controls**

Where an audit meeting is to take place, it can also be used as an agenda for the purposes of that meeting.

1.2 AUDIT COMMUNICATIONS

We explained our audit responsibilities and objectives, procedures and limitations in our letter of communications. This letter also explains our approach to reporting audit findings to management, taking account of your requirements as well as our professional responsibilities. This document discusses only the major issues arising from our audit.

1.3 ETHICAL STANDARDS

We are required to, and have complied with, the new and revised Ethical Standards issued by the Financial Reporting Council (FRC) and all threats to our independence, as identified to you in our planning communication letter, have been properly addressed through appropriate safeguards.

Randall & Payne LLP has procedures in place to ensure that its partners and professional staff comply with both the FRC's Ethical Standards and the Code of Ethics adopted by the Institute of Chartered Accountants in England and Wales.

No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention and we confirm that we are independent and able to express an objective opinion on the financial statements.

1.4 AUDIT SCOPE

The scope of our work has already been communicated to you via our Audit Communications letter dated 1st October 2021.

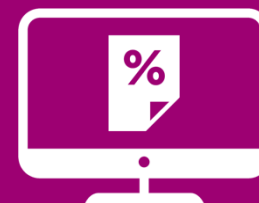
Matters may come to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily detect all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We consider that the audit approach adopted will provide the Directors with the required confidence that a thorough and robust audit has been carried out and can confirm that, at the date of this report, we anticipate no modifications to our audit report as noted in section 10 of the report.

This report has been prepared for the sole use of the Directors and must not be disclosed to any third party, or quoted or referred to, without our prior consent. No responsibilities are accepted by Randall & Payne LLP towards any party acting or refraining from action as a result of this report.



2. AUDIT PROCESS



2.0 AUDIT PROCESS

During the audit process, there are three main sections:

Audit planning Audit fieldwork Audit completion

The audit staff involved in the audit process were as follows:

Ryan Moore	Responsible Individual/Audit Director
Nathan Smith	Audit Manager

2.1 YEAR END MEETING AND ACCOUNTS PICKUP

The accounts information was uploaded to our secure online portal and a planning meeting held to discuss the year's activities. We were in contact throughout the year on various matters including budgets, funding and systems, and as such this meeting is more of a catch-up rather than detailed assessment of activities and events. We encourage the company to discuss activities with us through the year so that we are up to date with events at the time of the audit.

2.2 ACCOUNTS PREPARATION

The information was then brought back to Randall & Payne's offices to be prepared ensuring ethical requirements are met. These were then reviewed ready for the audit planning.

2.3 AUDIT PLANNING

Audit planning commenced once the accounts were prepared and available for review. Using the information obtained from the prior meeting and known activities within the company, a plan for how the audit is to be undertaken was established. Audit planning was then reviewed by Ryan, and an audit planning meeting took place between the team to share knowledge and to discuss and assess audit role and planning on how to approach the assignment.

2.4 AUDIT FIELDWORK AND COMPLETION

Nathan then completed the audit fieldwork on site on 5th and 6th October 2021. During this time, the finance team within the Company were readily available to assist us in accessing and finding documents and responding to queries.





Audit completion involves pulling together the findings from the audit fieldwork and concluding on the audit overall. Work is undertaken in order to communicate with the company and ensure our overall opinion on the financial statements are reasonable. This work is undertaken in Randall & Payne's offices following completion of the fieldwork and accounts preparation.





Following the preparation of the audit completion, Ryan reviewed the file, ready for the accounts and Reports to Directors to be distributed prior to a meeting whereby they are then approved and signed.





3. AUDIT RISKS IDENTIFIED AT PLANNING STAGE











Areas that we identified during the audit planning stage as being a significant audit risk area, in respect of the financial statements and the audit process, are detailed below.

Revenue recognition			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>An inherent risk in the company is the recognition of revenue and ensuring that cut-off is appropriately treated.</p> <p>With a large amount of the income being SERCO based, this can be agreed to remittances throughout the period which are clearly dated. However, it is still key to ensure that any other income is appropriately recorded in the accounts.</p>	<p>Obtain external confirmations of the amount of SERCO income expected to be received and assess the source documentation upon which this is based. Ensure that amounts received in the bank agree to payment schedules or income is accrued for accordingly.</p> <p>For other income (i.e. computing hub, science sessions), ensure that any initial documentation triggering the sale (i.e. booking forms) agrees to the invoices being raised and monies received.</p>	<p>Income appears appropriately recognised in the accounts, with accrued income being recognised in order to apportion an appropriate level of income within the accounts.</p> <p>Other income appears to have been appropriately recognised in the accounts, with debtors appearing recoverable, therefore giving satisfaction that the income is indeed free from material misstatements.</p>	<p>Income appears to be appropriately presented in the accounts.</p>

Management override			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
Despite there being controls and systems in place, there is always the potential for management and key employees to be able to override the prescribed processes and alter the accounts in a material or fraudulent manner.	<p>A review of the systems and controls was undertaken to ensure that these were sufficient. A walkthrough test on each area was also carried out to ensure that systems were being followed.</p> <p>Journal adjustments through the system were also reviewed.</p> <p>Key accounting estimates will be reviewed for bias in comparison to sector specific items.</p> <p>We will consider whether any of the transactions reviewed at any point of the audit are significant or unusual or outside of the company’s normal course of business.</p>	<p>Review of systems and controls did not highlight any significant errors or issues further to our Interim Systems Review. This has been reviewed further in section 7.</p> <p>Estimates and accounting policies used in the accounts appear reasonable and in line with expectations.</p> <p>No unexpected unusual transactions were identified as part of the audit.</p>	There were no major issues identified through a review of the systems and controls.

Related party transactions			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>With the growing publicity that academic organisations are receiving, it is important to ensure that related party transactions are disclosed accordingly in the accounts.</p> <p>With Directors of the company also being key management in Academies, highlighting the transactions as a result of this relationship is vital.</p>	<p>Review the declarations of interest and ensure that any transactions identified have been appropriately approved and disclosed in the accounts.</p> <p>Perform searches on the directors to identify any other entities that the company may have transacted with.</p> <p>Ensure disclosures with related parties are appropriately disclosed.</p>	<p>The related party transactions identified during the year in relation to staff recharges for member schools and working sessions. These were correctly disclosed within the accounts.</p> <p>Also appropriately disclosed were the expenditure transactions incurred on behalf of GITEP , as well as the computing hub income.</p>	<p>Related party transactions appear to have been appropriately disclosed and appear reasonable in the accounts.</p>

Going concern			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
<p>With income very dependent upon the demand for courses and SBM programmes, income can fluctuate from year to year and therefore can be difficult to forecast.</p> <p>This risk has an effect on the way in which the accounts are prepared and any opinions on the future of the company, and as such is a key area of focus.</p>	<p>Discuss the activities of the company in the current year and how future plans will affect the financial results going forward.</p> <p>Review budgets and forecasts prepared during the year and assess the basis upon which they have been prepared.</p> <p>Flex budgets and forecasts in order to assess how sensitive they are to change and whether this would impact the going concern basis.</p>	<p>The company has a significant amount of reserves built up from operating activities over the years, which allows for sufficient financial headroom to recover any deficits in the future.</p> <p>The next 12 months there are a number of key contracts which will require re-tendering for in order to secure substantial future income, however given the structure of the entity it is not considered to be a significant going concern risk.</p> <p>There is a deficit forecast for 2021/22, however the impact of this on going concern is mitigated by a significant cash at bank and reserves balance.</p>	<p>Despite the deficit forecast in 2021/22, the reserves and cash in hand is deemed sufficient to cover the deficit planned. We therefore consider the company able to continue as a going concern.</p>

Expenditure Cut-Off			
 Key area of audit focus	 Our approach	 Findings	 Conclusion
An inherent risk in any organisation is the recognition of expenditure and ensuring cut-off is appropriately treated. This in turn impacts on the completeness and accuracy of creditor balances.	A sample of post year-end invoices and bank payments are selected and traced through to supporting documentation and then to the creditor and accruals schedules to ensure they are included within the correct financial year.	<p>Overall, based on the sample tested, expenditure cut-off appears to be appropriate with no material misstatement of expenditure which appears to be included within the correct financial year.</p> <p>Invoices appear to have been allocated to the correct period, with accruals correctly adjusting for any transactions relating to 2021/22, invoiced post year-end.</p>	Expenditure appears to be appropriately reflected within the financial statements and free from material misstatement.

4. AUDIT TESTING



4.0 AUDIT TESTING

During our audit testing, we split the accounts into defined sections, and undertake various tests on each section accordingly.

An overview of our testing is as follows.

4.1 TRUSTEES AND RELATED PARTY TRANSACTIONS

No matter on the value, related party transactions are required to be disclosed in the accounts as per the accounting standards. Our work is to ensure that the disclosures are complete and accurate, and it appears that this is indeed the case for the transactions with related parties.

The related party transactions identified during the year were in relation to staff recharges for member schools and working sessions. These were correctly disclosed within the accounts.

There were no trustees remuneration or expenses paid during the year and therefore a £nil disclosure has been made in that respect within the financial statements.

4.2 FIXED ASSETS

Audit work done on fixed assets is to ensure that they are complete, valued appropriately, physically exist and are the ownership of the company.

A sample of fixed assets in the asset register were selected and audit testing did not highlight issues with these items.

Any repairs and renewals and other related costs attributed to the P&L were also reviewed to ensure that they also should not be capitalised, and have been expended in the year.

4.3 INCOME AND DEBTORS

Each month a payment schedule is provided to Adfecto by Serco, detailing the amounts, invoice numbers and order numbers for each transaction. These are then raised on Sage and issued accordingly. STEM invoices are also raised, however these tend to be fixed fees. Invoices are raised and the amounts agreed to the emails from STEM to confirm the correct balances are being invoiced.

Debtors and accrued income were assessed at the year end to ensure recoverability and, therefore, valuations were reasonable. Our sample did not identify any issues in relation to the debtors balances within the financial statements.

4.4 BANK AND CASH

Bank reconciliations are performed by the Finance Manager and the balance per the statement is reconciled to the system with an outstanding transaction report being printed. This reconciliation is then reviewed and authorised by the Business Development Manager.

When reviewing the bank reconciliations, it was clear they had been completed accurately, agreed to the bank statement and were authorised.

As part of the review, the bank balances were agreed to the online banking balance to provide assurances that the statements were valid and accurate.

Petty cash reimbursements were also reviewed for signs of unauthorised payments, of which no issues were identified.

4.5 PURCHASES AND CREDITORS

A sample of purchases made by the organisations were selected and details entered on to the system were agreed to the details of the invoice in order to confirm that classification is appropriate. A check was undertaken to ensure that transactions had followed the appropriate authorisation process and had gone through the tender process where applicable.

It appears that within the sample selected items were appropriately ordered, authorised and entered onto the system, with subsequent payments made through the bank. All items were authorised appropriately and of the transactions tested none appeared contentious.

4.5 PURCHASES AND CREDITORS cont

Cut-off of expenditure in the accounts appears reasonable with no material issues to note. Post year-end reviews are completed in order to ensure all expenditure is posted within the correct year and any additional creditors are identified.

Creditors were assessed at the year end to ensure no disputes in balances and, therefore, valuations were reasonable. Our sample did not identify any issues and it was confirmed that creditors were appropriately valued within the financial statements.

4.6 PROVISIONS

We reviewed the post balance sheet events to establish whether there are any events that may be disclosable in the 2020 accounts. No items were identified, following confirmation from management (see section 11).

A minutes review was completed during the year and it was pleasing to see a wide range of important topics being discussed and a cohesive Board ensuring that accurate decision making is being made.

4.7 WAGES AND SALARIES

Our payroll sample included testing both the single employee within the payroll system, as well as a sample of recharged salary invoices.

The individual through payroll was reviewed, noting the gross salary and any deductions and employer contributions. This gross salary was then checked to a contract/ salary statement to confirm that the correct amount of salary was being received. It is pleasing to see that there is a clear salary statement letter on file which has been issued to the client and recorded on their file which validates the contracted salary and will prevent any potential disputes.

Finally employee existence was confirmed by evidence from the personnel files. Therefore no misstatements were identified within the sample selected.

4.8 JOURNALS

As noted in section 3 of this report, management override is a key area that we need to be aware of in all audits. A review of a sample of journals was undertaken to ensure that the financial records had not been altered in such a way to materially impact the figures against the usual activities of the company. Our testing did not appear to highlight issues of this type, as journals posted appear reasonable.

4.9 CLIENT COMMENTS



5. ADJUSTMENTS MADE DURING ACCOUNTS PREPARATION



During the accounts preparation, a number of adjustments were made as follows:

Description	£
Surplus/(Deficit) per TB	(5,061)
Accounting for retrospective change of depreciation policy Additional depreciation charge	(3,216)
Accounting for disposals of fixed assets Loss on disposal of fixed assets	(171)
Deficit per accounts	(8,448)

The above adjustments have been agreed by the Finance Manager and should be adjusted for in the accounts for the period ended 31 August 2021.

6. FINANCIAL PERFORMANCE SUMMARY (4 YEAR REVIEW)



GASH summary financial performance

The summary four-year results as shown in the entity's accounting records:

	2020/21 £	2019/20 £	2018/19 £	2017/18 £
Income				
Training courses and conferences	590,206	641,464	639,521	848,712
Other income	8,100	1,860		
Interest received	9,057	9,457	9,436	1,635
Total Income	607,363	652,781	648,957	850,347
Expenditure				
Cost of generating funds	-610,430	-597,052	-747,485	-947,205
Support costs	-5,381	-5,449	-8,544	-8,565
	-615,811	-602,501	-756,029	-955,770
(Deficit)/Surplus	(8,448)	50,280	-107,072	-105,423
Reserve brought forward	1,085,766	1,035,486	1,142,558	1,247,981
Reserve carried forward	1,077,318	1,085,766	1,035,486	1,142,558

Summary financial performance for the Gloucestershire Initial Teacher Education Partnership (GITEP)

The summary four-year results as shown in the entity's accounting records:

	2020/21 £	2019/20 £	2018/19 £	2017/18 £
Income	787,692	674,516	653,180	603,678
ITT Bursaries	1,372,000	1,298,750	1,288,291	784,017
SKE Bursaries/Programme	31,850	162,600		
Total Income	2,191,542	2,135,866	1,941,471	1,387,695
Expenditure	-2,227,948	-2,143,762	-1,996,466	-1,403,443
(Deficit)/Surplus	-36,406	-7,896	-54,995	-15,748
Reserve brought forward	334,561	342,457	397,452	413,200
Reserve carried forward	298,155	334,561	342,457	397,452

7. UNADJUSTED / ADJUSTED MISSTATEMENTS



7.0 UNADJUSTED / ADJUSTED MISSTATEMENTS

A summary of the adjusted/ unadjusted errors identified during the course of our work is normally included below, however none were identified during the period. We have not disclosed below those items that we consider to be “clearly trivial” in the context of our audit.

On behalf of the Trustees, I confirm that there were no further transactions which should be adjusted for in the financial statements of the year ended 31 August 2021.

.....
Trustee

.....
Date

8. INTERNAL SYSTEMS AND CONTROLS



8.0 INTERNAL SYSTEMS AND CONTROLS

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements 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 internal controls. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported below are limited to those deficiencies that we have identified during the audit.

Overall, considering the size and nature of the entity, it is considered that Company has a good overall system of internal control.

There were no deficiencies in internal control identified during the audit process, and overall the level of controls and systems in place appear sufficient to mitigate risks of material misstatement and override.



9. JUDGEMENTAL ISSUES



9.0 JUDGEMENTAL ISSUES

As part of the audit standards and in line with our audit processes, we are required to obtain an understanding as to the rationale behind accounting estimates and judgements. As such, we have reviewed the following areas.

9.1 DEPRECIATION RATES

We have reviewed the rates at which the fixed assets are depreciated, and a review of the useful lives of items and the residual values in the accounts.

There was a change in the depreciation rates per the Finance Policy during the year and therefore a change in accounting policy. Under FRS102, a change in accounting policy can be as a result of two things:

- Change in the standards
- To make the accounts more reliable and relevant

The change in depreciation policy from 33% reducing balance to 4 year straight line is deemed to be a more reliable and relevant policy when considering the useful life of fixed assets.

Per FRS102 a change in accounting policy should be retrospectively applied as if it has always been in place. This has been applied to the financial statements with the impact being summarised to the right.

The impact on the depreciation charge in year has been summarised below:

Asset Type	Previous Depreciation Policy	Depreciation Charge
Fixtures & Fittings	33% reducing balance	610
Office Equipment	33% reducing balance	390
Computer Equipment	33% reducing balance	3,439

Asset Type	Revised Depreciation Policy	Depreciation Charge
Fixtures & Fittings	4 years straight line	802
Office Equipment	4 years straight line	252
Computer Equipment	4 years straight line	6,601

The overall additional depreciation charge during the year was £3,216. This has resulted in the closing net book values within the accounts to change and remove the continual residual balances being held which was the case in the prior policy.

10. AUDIT OPINION



10.1 STATUTORY AUDIT

As a result of the audit work we have undertaken, we have concluded that the financial statements appear to be free from material misstatement. Therefore the report contained within the draft financial statements will become the audit report in the final financial statements, subject to satisfactory clearance of any outstanding matters. This is the standard unmodified audit report. The audit opinion specifically written in the accounts will be as follows:

In our opinion the financial statements:

- *give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended*
- *have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- *have been prepared in accordance with the requirements of the Charities Act 2011.*

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- *the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or*
- *sufficient accounting records have not been kept; or*
- *the financial statements are not in agreement with the accounting records and returns; or*
- *we have not received all the information and explanations we require for our audit.*

11. OUTSTANDING MATTERS TO COMPLETE AUDIT



11.1 POST-BALANCE SHEET EVENTS

Prior to signing the audit report, we will need to complete an up to date Post Balance Sheet Events Review. Please can you confirm that you are not aware of any events that may impact these financial statements? This assessment should extend to 12 months from the signing of the accounts. This is included in the letter of representation.

Client Comments



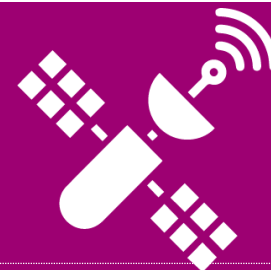
11.2 LETTER OF REPRESENTATION

A letter of representation will be issued with the financial statements and we shall forward this for approval by separate cover.

Client Comments



12. CONTACT PROGRAMME



12. CONTACT PROGRAMME

March/April 2022	Completion of interim and systems testing
September 2022	Pick-up of accounts information and preparation of year-end accounts Report from Directors provided by organisation for inclusion in the year-end accounts
October 2022	Audit planning, audit fieldwork and audit completion Issue of Report to Directors in advance of Directors' meeting Annex G grant audit fieldwork
November 2022	Attendance (if required) of Randall & Payne at Directors' meeting regarding audit and accounts findings and sign off of the accounts
December 2022	Submission of accounts in advance of deadline Completion and submission of Annex G grant for GITEP

Thinking to capitalise on

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The firm is not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services to clients because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide.