

Company Registration Number: 07725629 (England & Wales)

SHELDWICH PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr D Milham
Mrs S Garrett
Mr A Golesworthy
Mr F Stoddart (resigned 18 May 2020)
Ms J Flynn
Mr R Macey (appointed 1 June 2020)

Trustees

Mr D Milham, Chair, Finance Committee Member)
Mr A Golesworthy, Chair of Finance Committee
Mr F Stoddart, Finance Committee Member (resigned 26 May 2020)
Ms J Flynn, Vice Chair
Ms R Coulson
Mr D Coker (resigned 1 June 2020)
Mr M Risley, Finance Committee Member
Mrs S Garrett, Principal and Accounting Officer, Finance Committee Member
Ms C Gower, Staff Governor
Mrs R Fairs
Mr R Macey
Mr M Duffy, Finance Committee Member (resigned 23 September 2020)
Mrs C Hayward (appointed 18 December 2019, resigned 26 November 2020)
Mr A J Hodder (appointed 22 September 2020)

Company registered number

07725629

Principal and registered office

Lees Court Road, Sheldwich, Faversham, Kent, ME13 0LU

Company secretary

Mrs J Linter (Finance Officer, Finance Committee Member)

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Senior management team

Mrs S Garrett, Headteacher
Ms C Gower, Assistant Headteacher
Mrs J Linter, School Business Manager, Finance Officer

Independent auditors

MHA MacIntyre Hudson, Victoria Court, 17-21 Ashford Road, Maidstone, Kent, ME14 5DA

Bankers

Lloyds Bank, 49 High Street, Canterbury, Kent, CT1 2SE

Solicitors

Brachers LLP, 59 London Road, Maidstone, Kent, ME16 8JH

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 2 to 11 serving a catchment area in Sheldwich, the surrounding villages and Faversham. It has a pupil capacity of 210 and had a roll of 212 in the school census on 3 October 2019 and 49 children on roll aged 2-4.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Sheldwich Primary School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Sheldwich Primary School Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

c. Governors' indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

- up to 8 Governors who are appointed by members
- staff Governors elected by employees of the Academy. The number of Staff Governors must not exceed one third of the total number of Governors
- up to 1 LA Governor if appointed by the Local Authority
- a minimum of 2 Parent Governors who are elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time he is elected.
- the Principal
- any additional or further Governors appointed by the Secretary of State
- there is both an internal and external induction process for new Governors.
- a self-review was carried out which identified the need for more of a skills based recruitment process which has now been addressed.
- ongoing online training is available along with the KCC Governor Support package.

Governors are appointed for a four year period.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

f. Organisational structure

The Academy has a leadership structure which consists of the Governors, the Senior Leadership Team (SLT) and the Wider Leadership Team (WLT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy and capital expenditure.

The SLT consists of the Headteacher, Assistant Headteacher and the School Business Manager. The SLT control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Headteacher, Finance Officer and Finance Committee are responsible for the authorisation of spending within agreed budgets. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor. The WLT consists of three Phase Leaders (Early Years, Years 1, 2 & 3 and Years 4, 5 & 6).

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

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Governing Body delegates all decisions relating to the pay for members of the Senior Leadership Team to the Staffing and Pay sub-committee. The Terms of Reference for the Staffing and Pay Committee are detailed in the Pay and Reward Policy which states that they must undertake an annual pay review for all staff and reach decisions through the application of any relevant criteria measured by the Academy's performance appraisal process.

The Academy's teaching staff (including management) are members of the Teachers' Pension (TP) scheme and support staff (including management) are automatically opted in to the Local Government Pension Scheme (LGPS). Rates of contribution from members and the Academy are calculated by TP and LGPS and reviewed on an annual basis.

h. Related Parties and other Connected Charities and Organisations

There are no related parties or sponsors which control or are controlled by Sheldwich Primary School, however there is a separate parent teacher association, Sheldwich County Primary School Parent Teacher Association (charity no.1021211), which may from time to time contribute to the operations of the school.

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

Objectives and activities

The principal object and activity of the charitable company is the operation of Sheldwich Primary School to provide education and care for pupils of different abilities between the ages of 2 and 11 (previously 4 and 11).

In May 2016 The Department for Education approved the extension of the age range to include children aged 2 and 3. The Academy opened a pre-school to cater for these children in September 2016.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum);
- that it provides education for pupils of different abilities;
- and that it provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

The Aims of the Academy during the year ended 31 August 2020 are summarised below:

At Sheldwich Primary School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our School is a community in which children, staff and parents should be part of a happy and caring environment.

In order to achieve this, we will;

- Deliver the best curriculum, with an emphasis on the core subjects, while using a planned topic approach which builds on a child's knowledge and experience of the world;
- Provide a stimulating learning environment throughout the School;
- Look for excellence in all work;
- Foster a firm and consistent discipline;
- Encourage humour, sympathy, sensitivity, tolerance, independence, self-esteem and co-operation;
- Require children to develop respect, compassion and honesty in their relationships;
- Develop positive attitudes towards gender, non-violence and disability;
- Enable children to understand and make a contribution towards preserving and enhancing the physical environment;
- Ensure that children appreciate and value the multi-cultural society of both this and other countries;
- Develop a partnership which involves Parents and the community in the life of the School, and which also helps channel the talents everyone possesses towards the benefit of our children;
- Create good links with local pre-school groups, other primary schools and secondary schools;
- Provide opportunities for personal and professional growth for all who work in the School Community;
- Expect children to take a pride in attending Sheldwich Primary School.

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

Objectives and activities (continued)

a. Objects and aims

Key priorities for the year are contained in our School Development Plan which is available from the School Office and published on the school website. Improvement Focuses identified for this year (2020/21) include:

A Recovery Plan

To focus on the three strands of: pastoral care, tailored curriculum and routines and expectations on a tiered approach of: universal support, focused support and targeted support.

Quality of Education

To enable pupils, staff and parents to have access to high quality technology to support teaching and learning.
To accelerate pupils' progress so that an even greater proportion of pupils attain at a high standard in mathematics.

Personal Development

To produce a policy and scheme of work for 'Relationships Education and Health Education'.

Behaviour and Attitudes

To teach children to be resilient in their relationships with friends and peers and to support the well-being of others.

Leadership and Management

To further develop a professional and collaborative relationship between Sheldwich, Graveney and Luddenham Primary Schools.

To continue to raise the profile of well-being with all stakeholders.

Quality of Early Years Provision

To take part in the 2020-21 Reception Baseline Assessment Pilot (National Foundation for Education Research).

b. Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit. The Governors believe that the Academy's educational objective and aims of educating local primary school children are demonstrably to the public benefit.

Amongst the other benefits are;

- mentoring trainee teachers in partnership with Canterbury Christ Church University
- collaboration with local primary and secondary schools in respect of staff training
- Chair of Governors is a National Leader of Governance to support other local schools

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

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

Performance Data

Due to the COVID-19 pandemic examinations and data collections based upon Early Years Foundation Stage, Phonics Screening, Year 2 SATs and Year 6 SATs were all cancelled.

COVID-19

Following government advice on Wednesday 18th March 2020 Sheldwich Primary School closed to all pupils on Friday 20th March, reopening for 'Key Worker' children on Monday 23rd March. The school remained open for 'Key Worker' children during the Easter holiday and Bank Holidays. Home Learning was immediately put in place whereby lessons were uploaded on a daily basis to the class pages of the school's website to help instil a sense of normality and routine for children and their families. Along with 'Key Worker' children, The Wider Opening of Schools on Monday 1st June saw pupils from Little Hedgehogs, Reception, Year 1 and Year 6 return to school. During this time there was on average 72 pupils attending Sheldwich daily. This was a significantly high proportion of pupils returning to school compared to local and national data sets and noted by the Local Authority (KCC).

Weekly newsletters were produced for parents and governors to keep everyone connected with the school and up-to-date with changing government guidance. There was also a high focus on mental wellbeing for all stakeholders. During the wider opening of schools, parents and pupils also had access to the class teacher via class emails. For those year groups who had returned to school they alternated between a week at school with their class teacher and a week at home completing Home Learning tasks provided by the class teacher and the Oak National Academy or BBC Bitesize. All pupils were given a Home Learning Book to complete their activities and tasks in. During the summer term the Home Learning books were collected in by the school and looked at and commented upon by the class teacher and Headteacher. An 'End of Year' comment card was also sent home to pupils at the end of term.

Pupils leave Sheldwich Primary School with the academic, social, teamwork and leadership skills necessary to thrive in Secondary School and to be well rounded individuals able to contribute to society in the future and develop successful careers. The school participates in a wide range of sporting activities and has achieved the 'Platinum School Games Kite Mark' in recognition of their sporting achievements and opportunities. This award is only achieved by a handful of schools across the country.

Pupils have access to a wide range of sports at Sheldwich: football, netball, cricket, squash, handball, dodgeball, rounders, lacrosse, basketball, golf, archery, dance, tennis, athletics, cross country, hockey, multi sports, orienteering, gymnastics, American football, boxercise and tag rugby.

There is a thriving chess community in the school. Seventy children took part in the school championship which was contested over 7 rounds in Term 4. 27 children qualified from that to the regional 'Megafinal' stage of the Delancey UK Chess Challenge and 11 children qualified from there for the 'Gigafinal' (national semi-final stage) with 3 children qualifying for the final round the 'Terrafinal' (Challengers). The school had both an U9 and U11 team qualify for the semi-finals of the National Primary Schools Chess Association Championships with the U9 team winning their category. There is also a strong Sheldwich representation at the Kent Junior Chess Association Grand Prix events and one of our pupils was part of the Kent U11 team which won the E.P.S.C.A National Championships 2019. Two pupils were part of the Kent U11 team which qualified for E.P.S.C.A National Championships May 2020 but due to the COVID-19 pandemic the final did not take place.

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

Strategic report (continued)

Achievements and performance (continued)

Two members of staff are qualified to deliver the Forest School programme. The Forest School ethos fundamentally acknowledges individual learning processes by supporting the children at their own pace and following their lead as they explore a safe and stimulating environment full of sensory diversity and variability.

During the year the school has continued to research how to embed 'Nature's Principles of Harmony' into their teaching and learning. Staff have attended training sessions at school and have also taken part in The Prince's School of Traditional Arts workshops. Harmony is an innovative approach to education that puts creativity and sustainability at the centre, exploring the world from a local to global scale through the process of enquiry and engagement with the natural world. It helps children to explain, inspire and address curiosity about Earth and our responsibility to look after it.

The school has a thriving Breakfast and After School Club. Additionally the school runs a wide range of activities after school including: choir, football, art, chess, netball, tennis, tag rugby, infant agility, French, music technology, debating, sewing and gardening (due to COVID-19 restrictions clubs did not run for the whole year 2019-20).

Ofsted Inspection Report

Following a Section 8 Monitoring visit by Ofsted 10th July 2018 Sheldwich has continued to be deemed Outstanding. This builds upon the outcomes of the Ofsted Inspection on the 8/9th November 2012 whereby the Academy was first judged Outstanding in all areas:

Achievement of pupils:	Outstanding
Quality of teaching:	Outstanding
Behaviour and safety of pupils:	Outstanding
Leadership and management:	Outstanding
Overall effectiveness:	Outstanding

Comments made by Ofsted following Section 8 Monitoring visit:

You lead the school with passion and enthusiasm. Since the time of the last inspection you have been unwavering in your ambition to meet the needs of children and families in this rural community. The addition of the 'Little Hedgehogs' Nursery is particularly successful and parents appreciate the great start their children receive. One parent noted: 'The staff here are caring, compassionate and inspiring; a dream team.'

Pupils are remarkably well behaved, polite and enthusiastic. They rarely miss a day of school and show positive attitudes towards their learning in class. Pupils adore the wide range of clubs and activities they can participate in, such as chess and lacrosse. In class, pupils work with interest and drive. They enjoy the opportunity to discuss their thinking with friends yet are equally adept at working independently when it is time to knuckle down. As a result, pupils are highly productive and make great progress.

You have thought carefully about making sure that the curriculum is lively and interesting and helps to prepare pupils exceptionally well for the next stage of their education. You use the abundant outdoor space to enhance pupils' learning. For example, when studying the Roman army, pupils in Year 4 cooked food around a fire pit and designed, built and used their own Roman shields. These first-hand experiences give pupils the opportunity to explore subjects in depth and think carefully about their learning.

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

Strategic report (continued)

Achievements and performance (continued)

Governors visit often to check the work of the school. Their visits are sharply focused, and their findings and recommendations are reported back to the whole governing body. For example, governors monitor the use of sports premium funding and additional funding for pupils who have special educational needs and/or disabilities to satisfy themselves that they have secured good value for money. Governors' actions are firmly focused on improving the outcomes for pupils. They are very well placed to secure further improvement.

Buildings and Grounds

The Academy is fortunate to occupy attractive buildings with good outdoor areas in the rural area of Sheldwich, about 2.5 miles south of Faversham just off the A251. The maintenance of the buildings is a high priority to provide a modern environment conducive for effective teaching and learning. The school successfully bid for a Conditions Improvement Grant to replace existing skylights and flat roofs.

School Resource Management Adviser Report

A condition of the CIF Grant was a review by an ESFA Adviser with a remit to use the Integrated Curriculum Financial Planning tool to identify further savings. The review took place in April and because of the Covid 19 restrictions the Adviser was unable to visit the Academy and had to rely on the extensive data supplied by the school. The report identifies three year savings (best case scenario) of £123,300 – or £41,300 PA. The report recognises the Academy has a good quality three year plan in place, and that a number of the ICFP Key Performance indicators are already identified in the excellent monitoring spreadsheets prepared for Finance Committee members. The SMRA report focuses on percentage costs compared to national benchmarks for Curriculum support staff – proposed £25.5K reduction over 3 years and Non-curriculum support staff - £97.8K reduction over 3 years. The Trustees reviewed the report together with the DfE benchmarking tool for 2018/19 which shows expenditure per pupil at Sheldwich was £4333, compared to almost £5000 national average for primary schools. Rather than reduce CSS spend Trustees would like to be able to increase spend on Forest School activities because of the immense benefit children gain from this type of practical education. The benchmarking comparisons also need to reflect the higher staffing ratios for those schools with Nursery provision. The Trustees do not consider the saving in NCSS is achievable – the report also identifies that percentage spend on non-staffing costs is well below lower end of benchmarked range which may not be sustainable but no estimate of potential increased costs are provided to offset the projected savings. The Trustees will continue to closely monitor expenditure to ensure the Academy delivers a high quality broad-based curriculum to the benefit of all pupils and excellent value for money using the Integrated Financial Planning Tool.

b. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

The governors have implemented a system to assess risks that the school faces in strategic and operational, physical, infrastructure, governance, staffing, pupils and finance. They have implemented systems in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

A Risk Register and Emergency Management and Business Continuity Plan are in place and reviewed regularly.

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

Strategic report (continued)

Financial review

a. Reserves policy

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

At 31 August 2020 the Academy had unrestricted reserves of £75,692 which is free to be as we choose.

The Governors have determined that the appropriate level of free cash should be equivalent to four weeks expenditure, being approximately £93,000 based on these financial statements. This reserve policy allows the Academy sufficient working capital to cover any emergency repair work and any potential delays in receiving funding.

The deficit on the Local Government Pension Scheme reserve does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. Employer contributions are reviewed every three years in consultation with the scheme's administrators.

At 31 August 2020 the total funds comprised:

Unrestricted	£75,692
Restricted:	
Fixed asset funds	£1,767,774
General	£52,295
Pension reserve	(£796,000)
Total	£1,099,761

b. Investment policy

There are no material investments held by the Academy.

c. Principal risks and uncertainties

The Governors have considered the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover.

The major risks are:

- failure to successfully recruit and retain staff;
- changes to Government policy on Education Funding;
- loss of a key member of the Senior Leadership Team;
- impact of an uncontrollable event, e.g. fire or flood;
- school losing its excellent reputation.

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

Fundraising

Sheldwich Primary School PTA 'Supporters of Sheldwich' provides donations to Sheldwich Primary School. The PTA is a separate registered charity which is not controlled by the Trustees of Sheldwich Primary School.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its pupils get the best start to their education.

Funds held as custodian on behalf of others

The trust does not hold funds as custodian trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 January 2021 and signed on its behalf by:



.....
Mr D Milham
(Chair of Trustees)

SHELDWICH PRIMARY SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr D Milham, Chair, Finance Committee Member)	8	8
Mr A Golesworthy, Chair of Finance Committee	8	8
Mr F Stoddart, Finance Committee Member	2	5
Ms J Flynn, Vice Chair	7	8
Ms R Coulson	6	8
Mr D Coker	3	7
Mr M Risley, Finance Committee Member	5	8
Mrs S Garrett, Principal and Accounting Officer, Finance Committee Member	8	8
Ms C Gower, Staff Governor	8	8
Mrs R Fairs	8	8
Mr R Macey	7	8
Mr M Duffy, Finance Committee Member	7	8
Mrs C Hayward	2	8
Mr A J Hodder	0	0

During the year, Mr F Stoddart and Mr D Coker left and Mr A Golesworthy was re-appointed or re-elected at the end of their term of office.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to monitor financial controls in accordance with risk and control framework.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Golesworthy	6	6
Mr D Milham	6	6
Mrs S Garrett	6	6
Mr F Stoddart	3	4
Mr R Macey	2	4
Mr M Duffy	5	6

Review of value for money

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

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

- Successfully bidding for Condition Improvement Funding to replace the flat roofs.
- Marketing the Pre-School by arranging weekend open days. From this more families have registered and there has been a large increase in the number of children attending. This has generated income which is being used to improve the children's environment and Early Years' experience.
- Collaborating with other schools. The academy has a good relationship with other local single Academy Trusts and shares information regularly through formal collaboration meetings, visits and training opportunities.

The purpose of the system of internal control

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

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The school has undertaken Peer Reviews with Luddenham Primary School.

Review of effectiveness

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

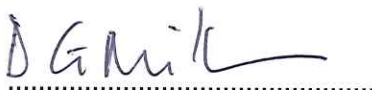
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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



Mr D Milham
Chair of Trustees

Date: 11 January 2021



Mrs S Garrett
Accounting Officer

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Mrs S Garrett

Accounting Officer

Date: 11 January 2021

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

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



.....
Mr D Milham

Chair

Date: 11 January 2021

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHELDWICH PRIMARY SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative details, Trustees' Report, incorporating the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Duncan Cochrane-Dyett BSc BFP FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditors

Victoria Court

17-21 Ashford Road

Maidstone

Kent

ME14 5DA

Date: 17 January 2021

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SHELDWICH PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sheldwich Primary School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sheldwich Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sheldwich Primary School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sheldwich Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sheldwich Primary School's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Sheldwich Primary School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

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

MHA MacIntyre Hudson
Reporting Accountant
MHA MacIntyre Hudson

Statutory Auditors
Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5DA

Date: 17 January 2021

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	5					
Contributions to educational visits and activities		19,400	-	-	19,400	33,120
Other donations		4,808	-	6,712	11,520	166,613
Charitable activities	6	146,370	935,267	-	1,081,637	986,822
Other trading activities	7	65,304	-	-	65,304	116,322
Investments	8	68	-	-	68	95
Total income		235,950	935,267	6,712	1,177,929	1,302,972
Expenditure on:						
Raising funds		151,346	-	-	151,346	136,869
Charitable activities	10	28,003	971,907	51,609	1,051,519	1,282,323
Other expenditure		-	-	2,988	2,988	-
Total expenditure		179,349	971,907	54,597	1,205,853	1,419,192
Net income/(expenditure)		56,601	(36,640)	(47,885)	(27,924)	(116,220)
Transfers between funds	20	(14,325)	-	14,325	-	-
Net movement in funds before other recognised gains/(losses)		42,276	(36,640)	(33,560)	(27,924)	(116,220)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(95,000)	-	(95,000)	(110,000)
Net movement in funds		42,276	(131,640)	(33,560)	(122,924)	(226,220)
Reconciliation of funds:						

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Total funds brought forward		33,416	(612,065)	1,801,334	1,222,685	1,448,905
Net movement in funds		42,276	(131,640)	(33,560)	(122,924)	(226,220)
Total funds carried forward		75,692	(743,705)	1,767,774	1,099,761	1,222,685

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 29 to 56 form part of these financial statements.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07725629

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	1,767,774	1,801,334
		<u>1,767,774</u>	<u>1,801,334</u>
Current assets			
Debtors	18	13,743	93,711
Cash at bank and in hand		153,542	131,864
		<u>167,285</u>	<u>225,575</u>
Creditors: amounts falling due within one year	19	(39,298)	(184,224)
Net current assets		<u>127,987</u>	<u>41,351</u>
Total assets less current liabilities		<u>1,895,761</u>	<u>1,842,685</u>
Net assets excluding pension liability		<u>1,895,761</u>	<u>1,842,685</u>
Defined benefit pension scheme liability	26	(796,000)	(620,000)
Total net assets		<u><u>1,099,761</u></u>	<u><u>1,222,685</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	20	1,767,774	1,801,334
Restricted general funds	20	52,295	7,935
		<u>1,820,069</u>	<u>1,809,269</u>
Restricted funds excluding pension liability	20	1,820,069	1,809,269
Restricted general funds - pension reserve	20	(796,000)	(620,000)
Total restricted funds	20	<u>1,024,069</u>	<u>1,189,269</u>
Unrestricted funds	20	<u>75,692</u>	<u>33,416</u>
Total funds		<u><u>1,099,761</u></u>	<u><u>1,222,685</u></u>

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07725629

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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

The financial statements on pages 24 to 56 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr D Milham
Chair



Mrs S Garrett
Accounting Officer

Date: 11 January 2021

The notes on pages 29 to 56 form part of these financial statements.

SHELDWICH PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	29,537	(345,718)
Cash flows from investing activities	23	(7,859)	101,321
Change in cash and cash equivalents in the year		21,678	(244,397)
Cash and cash equivalents at the beginning of the year		131,864	376,261
Cash and cash equivalents at the end of the year	24, 25	153,542	131,864

The notes on pages 29 to 56 form part of these financial statements

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

1. General information

Sheldwich Primary School is a private company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Sheldwich Primary School meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

2.2 Fund accounting

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

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

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

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

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Going concern

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

2.6 Interest receivable

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

2.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold land	- 125 years straight line
Leasehold property	- 50 years straight line
Fixtures and fittings	- 10 years straight line
Computer equipment	- 3 years straight line

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

2.8 Operating leases

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

2.9 Taxation

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

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

2.10 Debtors

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

2.11 Liabilities

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

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

2. Accounting policies (continued)

2.12 Provisions

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

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

2.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.14 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.

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

2. Accounting policies (continued)

2.15 Pensions

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

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

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

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

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

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

4. General annual grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2020.

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FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Contributions to educational visits and activities	19,400	-	19,400	33,120
Subtotal	19,400	-	19,400	33,120
Donations	4,808	-	4,808	17,885
Capital grants	-	6,712	6,712	148,728
Subtotal	4,808	6,712	11,520	166,613
Total 2020	24,208	6,712	30,920	199,733

Of the total £199,733 received in 2019, £51,005 was received into unrestricted funds, and £148,728 was received into restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
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6. Charitable activities - Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	781,164	781,164	785,036
Pupil Premium	-	22,428	22,428	19,900
Other DfE / ESFA revenue grants	-	98,983	98,983	59,624
	-	902,575	902,575	864,560
Other Government grants				
Local Authority revenue grants	146,370	28,452	174,822	122,262
	146,370	28,452	174,822	122,262
Exceptional government funding				
Coronavirus exceptional support	-	4,240	4,240	-
Total 2020	146,370	935,267	1,081,637	986,822

In 2019, all income from charitable activities was allocated to Restricted general funds.

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'exceptional government funding'. The additional costs are included in notes 9 and 10 below.

7. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	1,451	1,451	2,660
Other income	13,850	13,850	4,500
Nursery income	23,708	23,708	66,003
After School club and breakfast club	26,295	26,295	43,159
Total 2020	65,304	65,304	116,322

In 2019, all income from other trading activities was allocated to Unrestricted funds.

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8. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receivable	68	68	95

In 2019, all income from investments was allocated to Unrestricted funds.

9. Total expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising funds:					
Direct costs	-	-	5,065	5,065	8,553
Allocated support costs	146,281	-	-	146,281	128,316
Educational operations:					
Direct costs	608,063	-	94,582	702,645	733,881
Allocated support costs	213,545	27,653	107,676	348,874	548,442
Other expenditure	-	-	2,988	2,988	-
Total 2020	967,889	27,653	210,311	1,205,853	1,419,192

In 2019, of the total expenditure of £1,419,192, £148,618 was from Unrestricted funds, £1,057,342 was from Restricted general funds and £213,232 was from Restricted fixed asset funds.

In 2019, of the total expenditure of £1,419,192, £946,681 was attributable to staff costs, £230,382 to premises and £242,129 to other expenditure.

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

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	28,003	1,023,516	1,051,519	1,282,323

11. Analysis of expenditure by charitable activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	702,645	348,874	1,051,519	1,282,323
Total 2019	733,881	548,442	1,282,323	

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

11. Analysis of expenditure by charitable activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Pension income	11,000	11,000	10,000
Staff costs	202,545	202,545	198,253
Technology costs	30,735	30,735	25,139
Premises costs	27,653	27,653	230,382
Other costs	62,991	62,991	76,437
Governance costs	13,950	13,950	8,231
Total 2020	348,874	348,874	548,442
Total 2019	548,442	548,442	

12. Governance costs

	2020 £	2019 £
Auditors' remuneration - Audit of the financial statements	6,040	5,000
Auditors' remuneration - Other services	7,910	3,231
	13,950	8,231

13. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	1,416	1,416
Depreciation of tangible fixed assets	51,609	50,996
Auditors' remuneration - Audit of the financial statements	6,040	5,000
Auditors' remuneration - Other services	7,910	3,231

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

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	682,713	688,428
Social security costs	51,536	54,778
Pension costs	222,640	193,475
	956,889	936,681
Defined benefit pension scheme finance cost	11,000	10,000
	967,889	946,681

b. Non-statutory/non-contractual staff severance payments

There were no non-statutory/non-contractual severance payments arising in the year (2019: £Nil).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	11	10
Administration and support	26	26
Management	2	3
	39	39

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £70,001 - £80,000	1	1

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

14. Staff (continued)

d. Higher paid staff (continued)

The above employee participated in the Teachers' Pension Scheme. Employer pension contributions made on behalf of this member of staff amounted to £17,382 (2019 - £11,767).

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £211,861 (2019 £197,093).

15. Trustees' remuneration and expenses

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

		2020	2019
		£	£
Mrs S Garrett, Principal and Accounting Officer, Finance Committee Member	Remuneration	70,000 -	70,000 -
		75,000	75,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000
Ms C Gower, Staff Governor	Remuneration	45,000 -	45,000 -
		50,000	50,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Mrs R Fairs, Staff Governor	Remuneration	35,000 -	20,000 -
		40,000	25,000
	Pension contributions paid	5,000 -	0 - 5,000
		10,000	

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

16. Trustees' and Officers' insurance

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 is not separately identifiable as it is included in the total insurance cost of £4,284 (2019 - £5,140).

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17. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	1,879,486	184,836	112,098	2,176,420
Additions	-	11,336	6,713	18,049
At 31 August 2020	1,879,486	196,172	118,811	2,194,469
Depreciation				
At 1 September 2019	217,301	49,064	108,721	375,086
Charge for the year	28,033	19,617	3,959	51,609
At 31 August 2020	245,334	68,681	112,680	426,695
Net book value				
At 31 August 2020	1,634,152	127,491	6,131	1,767,774
At 31 August 2019	1,662,185	135,772	3,377	1,801,334

Included in the cost of leasehold land and buildings is leasehold land at a valuation of £796,400 (2019: £796,400) which is being depreciated over the 125 year lease.

In the absence of valuations provided by the ESFA, buildings have been valued at an estimate based on similar sized academies in the surrounding area of the Trust. The leasehold property is held under a 125 year lease from 1 September 2011 and ending 31 October 2136 at £nil rent with Kent County Council.

NOTES TO THE FINANCIAL STATEMENTS
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18. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	376	952
Other debtors	900	2,000
Prepayments and accrued income	11,714	85,753
VAT recoverable	753	5,006
	<u>13,743</u>	<u>93,711</u>

19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,920	3,348
Other creditors	2,988	-
Accruals and deferred income	31,390	180,876
	<u>39,298</u>	<u>184,224</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September	34,436	27,945
Resources deferred during the year	17,247	34,436
Amounts released from previous periods	(34,436)	(27,945)
Deferred income at 31 August	<u>17,247</u>	<u>34,436</u>

Deferred income includes amounts received from parents in respect of school trips, clubs and dinners in the 2020-21 year, as well as Universal Infant Free School Meal income for 2020-21.

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20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	33,416	235,950	(179,349)	(14,325)	-	75,692
Restricted general funds						
General Annual Grant (GAG)	7,935	781,164	(752,278)	-	-	36,821
Pupil Premium	-	67,714	(67,714)	-	-	-
Other DfE / ESFA grants	-	57,937	(42,463)	-	-	15,474
Local Authority grants	-	28,452	(28,452)	-	-	-
Pension reserve	(620,000)	-	(81,000)	-	(95,000)	(796,000)
	<u>(612,065)</u>	<u>935,267</u>	<u>(971,907)</u>	<u>-</u>	<u>(95,000)</u>	<u>(743,705)</u>
Restricted fixed asset funds						
NBV of fixed assets	1,801,334	-	(51,609)	18,049	-	1,767,774
DfE / ESFA capital grants	-	6,712	(2,988)	(3,724)	-	-
	<u>1,801,334</u>	<u>6,712</u>	<u>(54,597)</u>	<u>14,325</u>	<u>-</u>	<u>1,767,774</u>
Total Restricted funds	<u>1,189,269</u>	<u>941,979</u>	<u>(1,026,504)</u>	<u>14,325</u>	<u>(95,000)</u>	<u>1,024,069</u>
Total funds	<u><u>1,222,685</u></u>	<u><u>1,177,929</u></u>	<u><u>(1,205,853)</u></u>	<u><u>-</u></u>	<u><u>(95,000)</u></u>	<u><u>1,099,761</u></u>

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

20. Statement of funds (continued)

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

The General Fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Trust which fall outside the scope of its core activities. A transfer of £11,337 was made to restricted fixed assets for fixed assets purchased using unrestricted funds.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Trust. A transfer of £0 was made to the NBV of Fixed Asset fund to show capital additions bought using GAG funds.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE / ESFA Grants fund has been created to recognise the restricted funding received from the Department for Education/Education and Skills Funding Agency which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Trust's revenue expenditure.

The Other Government Grants fund has been established to recognise grants from Government bodies other than the DfE/ESFA and Local Authorities that fall outside the scope of core funding.

The Other activities fund has been established to recognise all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund. Transfers into this funds show capital additions bought using Unrestricted, Restricted and capital funds.

The DfE / ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund.

The Classroom refurbishment reserve has been created to recognise funds that the Governors have put aside for planned works in 2020. At the year end all funds have been used.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	29,895	167,422	(148,618)	(15,283)	-	33,416
Restricted general funds						
General Annual Grant (GAG)	4,707	785,036	(776,556)	(5,252)	-	7,935
Pupil Premium	-	19,900	(19,900)	-	-	-
Other DfE / ESFA grants	-	59,624	(59,624)	-	-	-
Local Authority grants	-	122,262	(122,262)	-	-	-
Pension reserve	(431,000)	-	(79,000)	-	(110,000)	(620,000)
	<u>(426,293)</u>	<u>986,822</u>	<u>(1,057,342)</u>	<u>(5,252)</u>	<u>(110,000)</u>	<u>(612,065)</u>
Restricted fixed asset funds						
NBV of fixed assets	1,805,303	-	(51,471)	47,502	-	1,801,334
DfE / ESFA capital grants	-	148,728	(148,728)	-	-	-
Classroom refurbishment reserve	40,000	-	(13,033)	(26,967)	-	-
	<u>1,845,303</u>	<u>148,728</u>	<u>(213,232)</u>	<u>20,535</u>	<u>-</u>	<u>1,801,334</u>
Total Restricted funds	<u>1,419,010</u>	<u>1,135,550</u>	<u>(1,270,574)</u>	<u>15,283</u>	<u>(110,000)</u>	<u>1,189,269</u>

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20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	1,448,905	1,302,972	(1,419,192)	-	(110,000)	1,222,685

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	1,767,774	1,767,774
Current assets	114,990	52,295	-	167,285
Creditors due within one year	(39,298)	-	-	(39,298)
Defined benefit pension scheme liability	-	(796,000)	-	(796,000)
Total	75,692	(743,705)	1,767,774	1,099,761

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	1,801,334	1,801,334
Current assets	36,764	188,811	-	225,575
Creditors due within one year	(3,348)	(180,876)	-	(184,224)
Defined benefit pension scheme liability	-	(620,000)	-	(620,000)
Total	33,416	(612,065)	1,801,334	1,222,685

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

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(27,924)	(116,220)
Adjustments for:		
Depreciation charges	51,609	51,471
Capital grants from DfE and other capital income	(6,712)	(148,728)
Investment income	(3,478)	(95)
Defined benefit pension scheme cost less contributions payable	70,000	69,000
Defined benefit pension scheme finance cost	11,000	10,000
(Increase)/decrease in debtors	79,968	(55,274)
Increase/(decrease) in creditors	(144,926)	(155,872)
Net cash provided by/(used in) operating activities	29,537	(345,718)

23. Cash flows from investing activities

	2020 £	2019 £
Investment income	3,478	95
Purchase of tangible fixed assets	(18,049)	(47,502)
Capital grants from DfE Group	6,712	148,728
Net cash (used in)/provided by investing activities	(7,859)	101,321

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	153,542	131,864
Total cash and cash equivalents	153,542	131,864

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NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	131,864	21,678	153,542
	<u>131,864</u>	<u>21,678</u>	<u>153,542</u>

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

26. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £93,000 (2019 - £63,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £77,000 (2019 - £78,000), of which employer's contributions totalled £60,000 (2019 - £61,000) and employees' contributions totalled £ 17,000 (2019 - £17,000). The agreed contribution rates for future years are 20.0 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.20
Inflation assumption (RPI)	3.10	3.20

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

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	22.1
Females	23.8	24.0
<i>Retiring in 20 years</i>		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(38)	(30)
Discount rate -0.1%	39	31
Mortality assumption - 1 year increase	66	54
Mortality assumption - 1 year decrease	(63)	(52)

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

	2020 £	2019 £
Equities	604,000	555,000
Gilts	6,000	6,000
Other bonds	120,000	74,000
Property	102,000	95,000
Cash	28,000	22,000
Absolute return fund	71,000	63,000
Total market value of assets	931,000	815,000

The actual return on scheme assets was £63,000 (2019 - £34,000).

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

26. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	(130,000)	(117,000)
Past service cost	-	(13,000)
Interest income	16,000	20,000
Interest cost	(27,000)	(30,000)
Total amount recognised in the Statement of Financial Activities	(141,000)	(140,000)

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

	2020 £	2019 £
At 1 September	1,435,000	1,143,000
Current service cost	130,000	117,000
Interest cost	27,000	30,000
Employee contributions	17,000	17,000
Actuarial losses	127,000	124,000
Benefits paid	(9,000)	(9,000)
Past service costs	-	13,000
At 31 August	1,727,000	1,435,000

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

	2020 £	2019 £
At 1 September	815,000	712,000
Interest income	16,000	20,000
Actuarial gains	32,000	14,000
Employer contributions	60,000	61,000
Employee contributions	17,000	17,000
Benefits paid	(9,000)	(9,000)
At 31 August	931,000	815,000

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

Reconciliation of opening to closing Defined Benefit Pension Scheme liability

	2020 £	2019 £
Defined benefit pension scheme liability brought forward	620,000	431,000
Defined benefit pension scheme cost less contributions payable	70,000	69,000
Defined benefit pension scheme finance cost	11,000	10,000
Actuarial losses/(gains)	95,000	110,000
Defined benefit pension scheme liability carried forward	796,000	620,000

The amounts recognised in the Balance Sheet are as follows:

	2020 £	2019 £
Present value of the defined pension scheme obligation	(1,727,000)	(1,435,000)
Fair value of the defined benefit pension scheme assets	931,000	815,000
Total	(796,000)	(620,000)

27. Operating lease commitments

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

	2020 £	2019 £
Amounts payable:		
Within 1 year	1,416	1,416
Between 1 and 5 years	3,658	5,195
Total	5,074	6,611

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

	2020 £	2019 £
Operating lease rentals	1,416	1,416

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

28. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisation in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

In entering into the above transactions the Academy Trust has complied with the requirements of the ESFA's Academies Financial Handbook and the Academy Trust's financial regulations and procurement procedures.

29. Members' liability

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