

Greig City Academy

Annual Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
04220486 (England and Wales)



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Reference and administrative information

| | |
|------------------------------------|--|
| Members | Inigo Woolf Michael Baker Jill Coughlan Joye Manyan |
| Governors | Mark Boulton Helen Drummond Andrea Henry Calvin Henry Petal Kaddu Peter Law Dionne Lewis Joye Manyan Jacqui Miller Hugh Reynolds Jasmyn Ross Oliver Scoullar-Greig Paul Sutton Paul Vincent |
| Company Secretary | Viv Oxley |
| Senior Leadership Team | |
| Principal | Paul Sutton |
| Vice Principal | Kevin Corrigan |
| Vice Principal | Jade Downey |
| Head of Finance | Colin Woollard |
| Registered address | High Street Hornsey London N8 7NU |
| Company registration number | 04220486 (England and Wales) |
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |

Reference and administrative information

Bankers

HSBC Bank Plc
Wood Green Branch
Cheapside
London
N22 5BP

The Royal Bank of Scotland
c/o NatWest Bank
The Broadway, 1 Crouch End Hill
London
N8 8DL

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

Governors' report 31 August 2020

The governors of Greig City Academy ('the Academy') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2020. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 51 to 56 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Greig City Academy is a company limited by guarantee and an exempt charity, which was established on 21 May 2001 in place of the St David's and St Katharine's School, which ceased to exist on 31 August 2002. The company's Articles of Association is the primary governing document of the Academy. The sponsors of the Academy are The Greig Trust and the London Diocesan Board for Schools (the LDBS) with the Department for Education (DfE) Education and Skills Funding Agency (ESFA) as the primary funder. The sponsors nominate the principal members of the Academy. The Academy's Articles of Association were updated in March 2015 to align them with the latest ESFA model articles. The only substantive change to the Articles at that time related to the term of office of governors: appointed governors now continue to serve for four years but the term for elected governors is three years. The Articles were amended again in June 2020 to increase the number of Foundation Governors from seven to nine (LDBS two to four).

Governors and Governance Arrangements

The Members of the School's Academy Trust are as set out below:

- ◆ The current Chair of The Greig Trust (Mr Michael Baker)
- ◆ Two persons appointed by the LDBS (Ms Jill Coughlan and Mr Inigo Woolf)
- ◆ One person appointed by The Greig Trust (Mrs Joye Manyan)
- ◆ Any further members appointed by the above (none).

The affairs of the Academy are the responsibility of the governors of the school, who are all trustees of the Academy Trust and directors of the company for the purposes of company law. The Articles of Association provide for the appointment and election of 16 governors as follows:

- ◆ Four governors appointed by the LDBS
- ◆ Two governors appointed by The Greig Trust

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors and Governance Arrangements (continued)

- ◆ The Bishop of Edmonton or his appointee
- ◆ One governor appointed by the West Haringey Deanery of the Diocese of London
- ◆ One governor appointed by the East Haringey Deanery of the Diocese of London
- ◆ The Principal of the Academy
- ◆ Two elected parent governors
- ◆ One elected staff governor
- ◆ One parent governor appointed by members of the Academy Trust
- ◆ Two governors drawn from the local community appointed by the Governing Body.

Organisational structure

The Governing Body has adopted a system of committees and terms of reference for those committees. The committees are as follows:

1. Finance, Personnel & Premises Committee
2. Student & Community Committee
3. Audit Committee
4. Teaching & Learning Committee
5. Standing Committee (membership includes the chair and vice chair of the Governing Body, the Principal and the chairs of the other committees).

During the year ended 31 August 2020, the full Governing Body met on six occasions and the first four Committees listed met at least once a term. The Standing Committee meets as and when required and, in the year ended 31 August 2020, met once.

The governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy, taking account of any advice given by the Principal. The Principal is responsible for the internal organisation, management and control of the Academy and for advising on and implementing the Academy's strategic framework. In particular the Principal and his Senior Leadership Team formulate aims and objectives, policies and targets for the Governing Body to consider adopting. The Principal is responsible for discharging many responsibilities on the Governing Body's behalf, as well as for discharging his own responsibilities. The Principal is the Accounting Officer.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Governing Body of Greig City Academy has three primary roles:

1. Ensuring clarity of vision, ethos and strategic direction;
2. Holding executive leaders to account for the educational performance of the organisation and its pupils, and the effective and efficient performance management of staff; and
3. Overseeing the financial performance of the organisation and making sure its money is well spent.

In particular this means exercising responsibility for and oversight of the following:

- ◆ The overall policy and strategic direction of Greig City Academy;
- ◆ The Mission and Vision of Greig City Academy;
- ◆ The School Improvement Plan;
- ◆ The adoption and monitoring of key targets for Greig City Academy;
- ◆ The adoption of the annual budget and major financial decisions;
- ◆ The overall curriculum;
- ◆ The Annual Report and Accounts;
- ◆ The Academy's policies;
- ◆ The overall governance of Greig City Academy including oversight of committees and appointment of governors;
- ◆ Any statutory inspection of the Academy; and
- ◆ Relations with the sponsors of Greig City Academy and the DfE.

Arrangements for setting pay and remuneration of key management personnel

The remuneration of key management personnel is in accordance with the Pay Policy, which is agreed and approved by the governors. Three of the key management personnel – the Principal and Vice Principals – are paid according to the appropriate pay scale for teachers on the leadership spine. In the case of the Principal, the governors have an option to seek external advice from a suitably qualified advisor. The fourth member of the key management personnel – the Head of Finance – is remunerated according to the appropriate pay scale for support staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

Relevant union officials

| Number of employees who were relevant union officials during the period | Full-time equivalent employee number |
|---|--------------------------------------|
| 3 | 2.9 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 2.9 |
| 1% - 50% | |
| 51% - 99% | |
| 100% | |

Percentage of pay bill spent on facility time

| | |
|---|-----|
| Total cost of facility time | Nil |
| Total pay bill | |
| Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 | 0% |

Paid trade union activities

| | |
|--|----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 | 0% |
|--|----|

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 or she is a member, or within one year after he or she ceases to be a member, such amounts as may be required, not exceeding £10, for the debts and liabilities contracted before he or she ceases to be a member.

Governors' indemnities

A premium of £1,773 (2019 – £1,583) was paid in the year on a professional indemnity policy to protect the governors from loss arising from neglect or defaults of the governors (see note 10 to the accounts).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees

The governors act as trustees for the charitable activities of the Academy and as directors of the charitable company for the purposes of the Companies Act 2006. Except where shown, the following trustees were in office at 31 August 2020 and served throughout the year.

| Governor | Appointed/Resigned | Appointing body |
|-------------------------------|---------------------------|--|
| Helen Drummond (4) | | The Governing Body (Community) |
| Andrea Henry (1,2,) | | The Governing Body (Community) |
| Calvin Henry (4) | | The Greig Trust |
| Petal Kaddu (2,4) | | Parent Governor appointed by the Trust |
| Peter Law (1) | | Elected Staff Governor |
| Dionne Lewis (1,4) | | London Diocesan Board for Schools |
| Joye Manyan (2,3,4,5) | | The Greig Trust |
| Jacqui Miller (2,4,5) | | East Haringey Deanery |
| Hugh Reynolds (1,3,5) (Chair) | | Bishop of Edmonton's Appointee |
| Jasmyn Ross (2,3) | | Elected Parent Governor |
| Oliver Scoullar-Greig (3) | | West Haringey Deanery |
| Paul Sutton (1,2,3,4,5) | | Principal |
| Paul Vincent (1,2) | | London Diocesan Board for Schools |
| Mark Whitehead (3,4) | Resigned 7.2.2020 | Elected Parent Governor |

The numbers in brackets indicate the committees, listed on page 4, of which the governor is a member.

Method of recruitment and appointment or election of trustees

Governors are appointed or elected in accordance with the provisions of the Articles of Association. As part of the recruitment process, they attend governors' meetings as observers and hold meetings with the Principal and Chair of Governors.

Policies and procedures adopted for the induction and training of trustees

The London Diocesan Board for Schools provides governor training as well as seminars on specific areas of interest to governors.

Individual governors are strongly encouraged to attend the training provided by the LDBS and by Haringey Education Partnership Governor Services. The induction procedure for new governors and co-optees consists principally of one-to-one introductory meetings with the Chair and the Principal; the appointment of one of the established governors as a mentor to the new governor for his or her first year; and providing the new governor with key documents such as the Articles, Funding Agreement and the most recent Annual Report. New governors are also expected to attend the induction training for governors offered by the LDBS.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

The LDBS contributed £464,000 towards the capital programme spread over the first five years of the Company's life. The LDBS also provides a number of services to the Academy including a secondary schools advisor, a buildings and development advisor, governor training and RE advice.

The Greig Trust provided the majority of the private financing, approximately £1.5 million. The final capital payment of its contribution was made in 2006/7. One member of the Governing Body is also a trustee of The Greig Trust.

The Greig Trust has continued to provide further financial support to the Academy on an annual basis. The Trust donated £170,399 in 2018/2019 and £183,667 in 2019/2020. This very generous funding has enabled the Academy to provide a number of enrichment opportunities that are available for the benefit of all students in the Academy. The majority of the money is used to subsidise an extensive Outdoor Education Programme, which provides students with challenging experiences such as sailing, mountain biking, canoeing and other adventurous training.

The Governors and Sponsors, The Greig Trust and The London Diocesan Board for Schools, have agreed a Memorandum of Understanding with regard to ongoing relationships and joint responsibilities for the continuing development of the Academy.

The Tallow Chandlers' Company provides generous financial support to promote and develop the study of Science, Technology, Engineering and Maths (STEM subjects) within the school. The funds are being used to provide: bursaries for the top performing Year 12 students in STEM subjects; funding for students to visit universities and help raise aspirations; funding for the professional development of teaching staff; and mentoring and support for students.

This year, the Tallow Chandlers' Company generously increased the level of its funding to £30,000 per annum (£27,500 in 2018/2019). In addition, they gave the school £13,440 for the purchase laptops for use by students during the lockdown period.

The Academy has taken part in the Jack Petchey Foundation Achievement Award and Leader's Award schemes for fifteen years. The Foundation provides funds each year for award winners to allocate to projects and resources that benefit students. The Foundation also gives students opportunities to take part in a range of free, off- and on-site activities.

Greig City Academy continues to maintain a relationship with Haringey LA. Some statutory funds for the Academy come through the LA and the LA is required to provide certain statutory functions for the Academy, even though the Academy is independent.

OBJECTIVES AND ACTIVITIES

Objects and aims

The objects of the Academy are to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, operating and developing a Church of England secondary school offering a broad curriculum to be conducted in accordance with the principles and practices of The Church of England.

The Governing Body and Senior Leadership Team keep under review the Academy's aims and objectives. They consider the purpose, nature and characteristics of the Academy over the next ten years.

The sole activity of the company is the operation of the Greig City Academy to provide education for pupils of different abilities between the ages of 11 and 19.

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

- ◆ To provide for every child high quality education appropriate to their needs. To support the education of every child by providing high quality resources and care.
- ◆ To maximise the standard of educational achievement of all pupils.
- ◆ To monitor both the curriculum and organisational structure of the Academy to maintain and improve effectiveness.
- ◆ To provide value for money throughout the Academy.
- ◆ To comply with appropriate statutory and curriculum requirements.
- ◆ To maintain and develop closer links with the community of which the school is part.
- ◆ To conduct all of the Academy's business in accordance with the principles and practices of the Church of England and the highest standards of integrity, probity and openness.

The Academy's activities include:

- ◆ Appropriate learning opportunities to enable all students to achieve high quality academic qualifications;
- ◆ Relevant work experience placements and other employment and careers related opportunities to prepare students for the world of work;
- ◆ An accessible programme of advice for all students regarding careers and further education opportunities;
- ◆ An extensive programme of sporting and other enrichment activities for all students;
- ◆ A structured programme of challenging off-site outdoor activities including the Duke of Edinburgh award scheme; and
- ◆ Training and career development opportunities for all staff.

OBJECTIVES AND ACTIVITIES (continued)

Equal Opportunities Policy

The governors recognise that equal opportunities should be an integral part of everyday practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the needs and contribution of the whole school community are fully valued.

People affected by a disability

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Public Benefit

In setting the Academy's objectives and planning its activities, the Board of Governors has given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Outdoor education

The Academy has a strong belief in the positive benefits of outdoor education opportunities for all students. We believe in taking students out of their comfort zone and providing them with new and physically challenging experiences.

Each year, the school runs an extensive programme of trips, funded mainly through the continuing generosity of The Greig Trust. The Covid-19 situation meant that the number of trips the school was able to run in 2019-20 was reduced. However, a wide range of activities was still on offer including: sailing, canoeing, hill walking, climbing, camping and gorge scrambling. Highlights of the year included:

- ◆ Weekly sessions for beginners on the West Reservoir in Stoke Newington, which continued until the end of March.
- ◆ In December, the Scaramouche project's lead helmsman, Seun Williams, crewed alongside professionals on a yacht taking part in, and winning, a transatlantic race.
- ◆ Our all-girls crew enjoyed offshore training with a professional ocean sailor.
- ◆ The Year 9 girls' team braved tough conditions on their trip to Coniston Water in a bitterly cold February.
- ◆ A number of Year 9 and Year 10 boys trained with professional sailors in Portugal, where they learned advanced techniques

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Outdoor education (continued)

- ◆ During the lockdown period, four boys completed their 20-hour online RYA Navigation course and another eight passed their RYA Day Skipper exam with flying colours; the latter is a major qualification involving 60 hours of study and two exams.
- ◆ The resilience and hard work shown by the teams as they refurbished and maintained all the boats in the fleet was praised by many of the school's supporters in the sailing community.

The school's experienced sailors have been fundraising for the project for several years, publicising their activities and successes and giving talks to companies and the sailing community.

Sports

Our three netball teams faced tough opposition this season. The Year 9 team topped their league, the Year 8 team took a hard-won 2nd place and the Year 7 team took 3rd place in their league. The Year 9 team were praised for the support they gave to primary school teams, coaching and umpiring tournaments. The school's dance teams took 1st place in three regional championships, winning places in three national finals, all of which, unfortunately, had to be cancelled on account of Covid-19. During the lockdown period, yoga, dance and fitness clubs continued online via Microsoft Teams. All students on site and a number of those working at home took part in the London Virtual Youth Games.

STEM

The Academy's new STEM Centre became fully operational in the autumn term. The Centre is named after Ricardo García de Paredes, an inspirational teacher whose vision it was to create a space dedicated to STEM but who sadly died before his vision became a reality. The Centre was officially opened in November by Ricardo's wife Mrs Dora García de Paredes and Mr Anthony Green, the Master of the Tallow Chandlers' Company, which provided generous financial support for the building. The Centre is now a hub for an increasingly wide range of curricular and extracurricular activities. Hundreds of enthusiastic primary school pupils joined Academy students at our third STEM showcase in February to demonstrate their skills in STEM subjects to their peers. The Design and Technology department ran two outreach programmes with seven primary schools.

Six robotics teams reached the VEX National Finals, held in March. On their route to the finals, the teams had together amassed 55 trophies in the qualifying rounds and two teams were amongst the consistently highest scoring teams in the country. Our Year 13 team were rewarded in the finals with two major trophies – UK National Robot skills champions and the Amaze trophy, which is awarded to a consistently high scoring and effective robot design. The two members of our Year 8 team took a well-deserved 3rd place in the IQ (Key Stage 3) final. The Academy's sixth formers were once again praised for their work umpiring the IQ tournaments and Mitchell Kingsland won the award of VEX Robotics Volunteer of the Year.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Arts, humanities and languages

In October, we welcomed students from Sandun School in southern China. 24 students spent four days with us and joined our Year 7s in lessons. Our own Mandarin students had a chance

To practise their listening and speaking skills and there were opportunities for many more students to learn traditional Chinese skills in decorative arts, martial arts and cooking.

The art department worked in partnership with the Friends of Highgate Roman Kiln, Classics for All and the Clayground Collective on a project that brought together art and design, archaeology and local history. Over eight sessions, students learned about the history of the Roman kilns in Highgate Wood and investigated the techniques used by the Romans to make pottery. They then had a chance to use all the techniques to make their own pots and to demonstrate their new-found skills and knowledge in an exhibition attended by governors, staff, local historians and our local MP Catherine West. Years 9 and 10 students developed new skills in intaglio printing in workshops run by Ironbridge Fine Arts with the support of the Jack Petchey Foundation.

The Academy's musicians had many opportunities to develop their skills outside lessons in clubs running before and after school as well as at lunch and break times. Because of the Covid-19 situation, they had fewer opportunities than usual to perform in concerts and award ceremonies.

The drama department's programme of theatre trips and workshops with practitioners was affected by Covid-19. However, one trip and three workshops went ahead, and the department purchased a digital platform through which students had free access from home to a wide range of productions – both those relating to their studies and others of interest.

The Academy places importance on introducing students to new and diverse authors, poets and illustrators. This year, our students have gained an excellent understanding of language and the way writers or illustrators create their works through a series of six practitioner workshops. During the lockdown period, book clubs continued online and packs of books were sent out to students to review.

Examination results

Public examinations were suspended this year and grades were awarded generally on the basis of schools' own prediction of their students' attainment. Previous years' results are not comparable.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Examination results (continued)

KS5

| A level | Grade | % |
|---------|-------|-------|
| A* | 9 | 4.7% |
| A | 23 | 12.0% |
| B | 58 | 30.2% |
| C | 62 | 32.3% |
| D | 26 | 13.5% |
| E | 12 | 6.3% |
| F | 0 | 0.0% |
| U | 0 | 0.0% |
| X | 2 | 1.0% |

| Key Stage 5 BTEC – summary | | | | | | |
|-----------------------------------|--------|--------|--------|--------|--------|-------|
| Grade | D* | D | M | P | Q/U | Total |
| Number | 19 | 18 | 36 | 42 | 14 | 129 |
| % | 14.73% | 13.96% | 27.92% | 32.56% | 10.85% | |
| D+ | 28.69% | | | | | |
| M+ | 56.61% | | | | | |

STRATEGIC REPORT (continued)

Achievements and performance (continued)

KS4

Attainment 8 score 4.6

Progress 8 score 0.40

GCSE and BTEC (higher of centre assessed grade or algorithm)

| Subject | Pupils | Grade 4+ | Grade 5+ |
|--------------------|---------------|-----------------|-----------------|
| English | 182 | 83% | 53% |
| English Literature | 182 | 78% | 55% |
| Maths | 191 | 74% | 44% |
| Science | 154 | 56% | 32% |
| Science 2 | 154 | 42% | 25% |
| Biology | 37 | 95% | 78% |
| Chemistry | 37 | 89% | 65% |
| Physics | 37 | 89% | 73% |
| RE | 191 | 73% | 49% |
| Citizenship | 9 | 89% | 44% |
| Geography | 62 | 55% | 35% |
| History | 58 | 71% | 55% |
| Sociology | 56 | 63% | 43% |
| Travel and Tourism | 18 | 94% | 28% |
| Business Studies | 57 | 84% | 51% |
| Business BTEC | 14 | 43% | 29% |
| Media | 34 | 79% | 53% |
| Computing | 66 | 76% | 33% |
| D&T | 26 | 65% | 46% |
| Food and Nutrition | 15 | 60% | 40% |
| Textiles | 10 | 90% | 80% |
| Spanish | 69 | 67% | 54% |
| French | 18 | 72% | 67% |
| German | 12 | 50% | 25% |
| Art | 50 | 92% | 68% |
| Music | 52 | 100% | 98% |
| Drama | 38 | 100% | 76% |
| Sports Studies | 23 | 91% | 65% |

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Destinations of students in 2020

Year 11 – as at October 2020

| Destination | Number |
|--|---------------|
| Greig City Academy Sixth Form | 87 |
| Other education destination (colleges/sixth forms) | 90 |
| Moved abroad | 0 |
| Not in employment, education or training | 0 |
| Information not yet obtained | 15 |
| Total | 192 |

Years 13 and 14 – as at October 2020

| Destination | Number |
|---------------------------------------|---------------|
| Greig City Academy Sixth Form Year 14 | 8 |
| University | 88 |
| Employment or apprenticeships | 0 |
| Information not yet obtained | 11 |
| Total | 107 |

Attendance

| | 2017-18 | 2018-19 | 2019-20 |
|---|----------------|----------------|----------------|
| Attendance | 93.1% | 93.65% | 93.58% |
| Authorised Absence | 3.0% | 2.76% | 2.63% |
| Unauthorised Absence | 3.9% | 3.60% | 3.79% |
| % Students with Persistent Absence 15%+ | 10.6% | 10.52% | 9.83% |
| % Students with Persistent Absence 10%+ | 19.9% | 19.14% | 19.54% |

Student behaviour and attitudes to learning

Visitors continued to be impressed by the orderly atmosphere in the school. There were two permanent exclusions (five in 2019). As general wear and tear increases and the ongoing maintenance of the Academy becomes a key activity, it is pleasing to report that there is very little in the way of deliberate damage to the premises.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Numbers on roll

Outreach work with primary schools continues, as do other marketing activities that have proved effective.

| | September 2017 | September 2018 | September 2019 | September 2020 |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| No. of students | 1,120 | 1,152 | 1,095 | 1097 |
| No. of Year 7 students | 141 | 203 | 174 | 174 |
| No. of sixth form students | 254 | 251 | 239 | 205 |
| No. of teaching staff | 95 (90 FTE) | 93 (88 FTE) | 94 (89.6 FTE) | 95 (89.6 FTE) |

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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The Academy has forecast deficits for the next 2 years which are covered more than three times by available reserves of £1,780k at 31 August 2020. This therefore does not affect the going concern opinion.

Financial review

The majority of the Academy's income was received through the ESFA in the form of recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy's charitable activities and its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities. General Restricted Fund income for the year was £9,441K (2019 – £8,849K) and expenditure against the fund for educational operations was £9,884K (2019 – £9,281K), resulting in a restricted deficit on educational operations of £443K (2019 – £432K). Excluding LGPS service and interest costs of £368K, the educational operations deficit for the year was £75K (2019 - £133K). Including unrestricted funds, the operational deficit for the year was £28K (2019 - £81K). In the opinion of the governors, the operational deficit figure of £28k most accurately reflects the underlying financial performance of the Academy in the year under review.

STRATEGIC REPORT (continued)

Financial review (continued)

| GCA Surplus / (Deficit) | Overall | Educational Operations | Operational |
|--------------------------------|----------------|-------------------------------|--------------------|
| Income (£'000s): | | | |
| Educational Operations | 9,441 | 9,441 | 9,441 |
| Unrestricted | 67 | | 67 |
| Fixed Assets | 37 | | |
| Expenditure (£'000s): | | | |
| Educational Operations | 9,516 | 9,516 | 9,516 |
| Unrestricted | 20 | | 20 |
| Fixed Assets (Depreciation) | 1,258 | | |
| LGPS (Actuarial adjustments) | 368 | | |
| Net Deficit | (1,617) | (75) | (28) |

NB the operational deficit of £28k is the total deficit excluding non-cash items (Fixed Asset income and depreciation and LGPS actuarial adjustments).

These figures were impacted by the Covid-19 outbreak which resulted in lower lettings income and additional expenditure on health and safety and equipment which together totalled £50K.

The full results for the year are shown on page 47.

Unrestricted Funds

Income received into the Unrestricted Fund was £67K (2019 – £90K). This was predominantly attributable to the hire of facilities. The carry forward balance at the year-end amounts to £671K (2019 – £624K).

Restricted Fixed Asset Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned, in line with the Academy's depreciation policy. The Restricted Fixed Asset Fund has a balance of £14,302K (2019 – £15,523K) at the year end. This is detailed in note 14 to the accounts.

STRATEGIC REPORT (continued)

Financial review (continued)

Summary of Financial Position

Total fund balance as at 31 August 2020 was £13,763K (2019 – £15,388K). This was comprised of £671K (2019 – £624K) in Unrestricted Funds, £1,109K (2019 – £1,184K) in Restricted General £14,302K (2019 – £15,523K) in Restricted Fixed Asset Funds. General Funds include the pension reserve deficit of £2,319K (2019 – £1,943K), following receipt of the Actuarial Valuation Report as at 31 August 2020.

Balance Sheet

The Academy's assets were predominantly used for providing education to students. Some assets were let during the year to the local community, predominantly for sports and a locally run Saturday school.

The net book value of the Academy's tangible fixed assets was £14,297K (2019 – £15,420K) as at 31 August 2020. The movements in tangible fixed assets are detailed in note 11 to the accounts.

Cash in hand and bank as at 31 August 2020 was £2,031K (2019 – £2,130K).

Reserves Policy

The governors have determined that the majority of funds received from the ESFA should be used for the annual running costs of the Academy. Within this framework, the Academy will carry forward a prudent level of resources designed to:

- ◆ Provide sufficient working capital to cover delays between spending and receipt of grants.
- ◆ Cover possible unforeseen contingencies.

The Principal has proposed, and the governors have agreed, that the Academy should normally expect restricted and unrestricted general reserves backed by cash to be as a minimum two months' payroll costs.

The accounts for 2019-20 showed that at the year-end unrestricted general reserves (free reserves) were £671K (2019 – £624K) and restricted general reserves were £1,109K (2019 – £1,184K), in total £1,780K (2019 – £1,808K). These were more than 100% backed by cash. During the year, staff costs were £7,969K (2019 – £7,470K) so an average two months' staff costs would be £1,328K (2019 – £1,245K). Free reserves are therefore in line with the reserves policy.

The accounts for 2019-20 show a provision for the Academy's net liability associated with the LGPS (the pension scheme for non-teaching staff). This net liability is not an immediate liability. It is expected that employers' annual pension contributions will be set at a level consistent with closing this shortfall over a number of years.

The governors' policy is to review the reserve levels of the Academy annually.

STRATEGIC REPORT (continued)

Financial review (continued)

Investment Policy

The Trustees' investment powers are governed by the Articles of Association, which permit the Academy's funds, if not immediately required for the furtherance of its objects, to be invested in such investments, securities or property, as may be thought fit, subject to such conditions and consents as may for the time being be imposed or required by law.

Risk management

Taking risk management seriously is a priority for the Academy. The Academy's risk management strategy aims to:

- ◆ Identify and evaluate risks that could prevent the Academy from achieving one or more of its strategic aims and objectives and delivery targets or make their achievement substantially more difficult.
- ◆ Assess the likelihood of such risks occurring and the potential impact of such occurrences with particular reference to the areas of finance, reputation and planning/operations.
- ◆ Enable decisions to be taken on: how much risk to accept; the actions/controls to be applied to avoid or mitigate the likelihood of such circumstances arising or to transfer risk or insure against the consequence; and on assigning responsibility for implementation.

Further assess residual risk after mitigation or controls have been put in place.

The risks identified cover the areas of governance, statutory compliance, finance, attainment, behaviour, attendance, health and safety, safeguarding, organisation, operations, reputation, HR, IT and property. On a regular basis, the Academy's senior leadership reviews the risk register, both the identification and assessment of risks and the actions and controls in place to manage the identified risks.

The financial risks considered as part of the risk management process include economic and financial uncertainty, liquidity and solvency, the risk of fraud and compliance with financial and statutory requirements.

The Audit Committee, advised by the internal auditor, oversees risk management within the Academy and reports on this to the full Governing Body. The Audit Committee reviews the risk register at least termly and monitors the Academy's management of the top-rated risks. In addition, other Committees of the Governing Body will also consider the management of top-rated risks falling within each Committee's sphere of interest.

Principal risks and uncertainties

The currently top ten rated risks identified by the Academy and the key mitigating actions are set out below in descending order (i.e. the highest rated risks come first). The ranking of these risks reflects the scoring of residual risk after mitigation.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

| Risk | Control measures |
|---|--|
| <p>Covid-19 risks: Multiple risks including: fatalities or long-term illness of staff/students due to virus. School closure or part closure. Loss of learning time. Higher incidence of Child Protection issues. Higher frequency of mental health issues. High financial costs of Covid-19 due to loss of income and increased expenditure.</p> | <p>Whole school and individual risk assessments and action plans to ensure appropriate controls in place. Closely follow guidance and instruction from HM Government and Public Health England. At local level, liaison with Local Authority and Health Authority as well as local schools and transport. Action planning for all aspects of Academy life. Remote learning plans in case of closure or isolation. Accurate records for test and trace. Direct communication of pastoral team with vulnerable and concerned students. Increased hygiene and cleaning provisions. Subject specific protocols and procedures, particularly for practical subjects including music, drama, PE, science and technology. Plan in place for Covid-safe school meals provisions. Protocol in place for dealing with outbreaks. Accurate records of Covid-related spending and costs including staff absence cover.</p> |
| <p>Reductions in funding: GAG reduced due to public expenditure restraint and changes to National Funding Formulae.</p> | <p>Prudent management of school reserves. Conversion of revenue into capital based only on audited accounts. Reserves policy and cash flow forecasts based on understood assumptions. Identification of scope for savings and increasing income from all potential sources. Aim for balanced budget each year. Three-year budgetary planning and benchmarking against similar schools. Contract procurement experts to achieve cost reductions.</p> |
| <p>Pupil numbers reduce: Competition from other schools and failure to recruit leads to falling income.</p> | <p>Continued focus on improving exam results. Primary liaison programme. Positive stories in media. Aim for regional/national articles. Continue to strengthen links with primary schools, offering sailing, basketball and STEM activities. Invite all parents into school when offered a place. Target post-16 numbers to 260. Continue STEM stream and Mandarin Excellence Programme at Key Stage 3.</p> |

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

| Risk | Control measures |
|--|---|
| <p>Funding reductions and potential claw back due to issues with school data collection and accuracy of data submissions.</p> | <p>Ensure accurate DfE returns and appeals when required by introducing a series of data checks and improving collection systems and overall supervision by the Head of Finance. Specific training for administrators using data systems. Contacting all parents to conduct data checking exercises. Use of available outside data checking services.</p> |
| <p>Safeguarding and child protection: Recruiting someone unsuitable to work with children.</p> | <p>Safer recruitment procedures applied rigorously. Regular child protection training including on FGM, PREVENT, E-Safety, child sexexploitation.</p> |
| <p>Charitable objectives/educational standards: Unfavourable report from bodies such as OFSTED or poor examination results.</p> | <p>Ensure that teaching and learning data is accurate, in place and analysed with resultant action plans to address performance issues. Continue staff training in lesson observations with regular monitoring. Pupil Premium explanation and impact reports. Ensure high standards of teaching and learning. Individual pupil outcomes analysis and action planning.</p> |
| <p>Loss of key personnel: Risk that loss of key members of staff compromises management of the school or leaves a skill shortage in specific areas.</p> | <p>Succession planning. SLT shadowing structure in operation. Link VP and AVP roles and responsibilities (team approach).</p> |
| <p>Cyber security: Security risk to school information and financial data systems. Computer virus hacking and theft risks.</p> | <p>Daily updating of anti-virus software. Daily event logs monitor attempted access. Two firewalls. CISCO and Microsoft. New locks on server rooms restrict access to appropriate staff. Password criteria review. IT management recovery plan in place. IT systems external safety check and accreditation scheme (now GCHQ approved). Regular updates of financial security systems in collaboration with financial institutions such as Bankline and ESFA. Install latest versions of financial software combined with appropriate training.</p> |

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

| Risk | Control measures |
|---|---|
| Health and safety: Injury or fatality to a pupil or member of staff on a school trip. | H & S policy and risk assessments applied rigorously. Academy's Off-site and Outdoor Education policy applied rigorously. Educational Visits Coordinator in place. Appropriate training provided for all staff. Seek additional advice from relevant agencies such as the Health and Safety Executive to ensure highest standards and compliance. |
| Health and safety / pupil safety: Negative extraneous influences including social media, gang culture, local community issues and threats for pupils travelling to and from school. | Staff liaison with multi agencies to monitor / raise concerns / investigate. Ensure good pastoral team links with parents. Curriculum time given to pupil awareness of issues and impacts. Identification of vulnerable pupils and action plan to support them. Search protocol where concerns raised. SLT critical incident training. "E-Safety Training", for staff and pupils. Note risk of pupils being victims of such events due to increase threat within wider local communities. |

Fundraising

The school does not raise funds to support its statutory activities. It does seek sponsorship and donations to help meet the costs of extra-curricular and enrichment programmes.

The school's fundraising activities are:

- ◆ Applications to charities. The school regularly applies for grants to three charitable foundations – the Greig Trust, the Tottenham Grammar School Foundation and the Jack Petchey Foundation. All give annual or more frequent donations. Applications are made to other charities from time to time.
- ◆ Applications for Lottery funds.
- ◆ The Tallow Chandlers' Company, a livery company, sponsors a number of STEM activities. The company approached the school to offer sponsorship.
- ◆ Applications and presentations to potential sponsors. Staff and students regularly give presentations about the school's sailing programme to sailing organisations, charities and commercial companies. This generates further donations.
- ◆ Applications for grants from professional bodies such as the Institute of Physics, the Royal Society of Chemistry and the Royal Society.

STRATEGIC REPORT (continued)

Fundraising (continued)

The school does not work with any commercial or professional fundraisers.

The lead members of staff for specific activities take responsibility for reporting to the Principal and Head of Finance on:

- ◆ Applications for grants made and success thereof.
- ◆ Sponsorship and donations received.
- ◆ Any conditions attached to funds received.

Those same lead members of staff are responsible for: a) ensuring that the conditions of any grant are fulfilled; and b) monitoring income and expenditure. They report to senior staff, the Principal and Head of Finance, who, in turn report to the Finance, Personnel and Premises Committee of the Governing Body.

The school has received no complaints about its fundraising activities. Should a complaint be received it would be dealt with under the school's formal Complaints Procedure.

The school does not approach individuals by telephone, letter, emails or any other form of communication to request funding.

Auditor

In so far as the governors are aware:

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

Governors' report, incorporating a strategic report, approved by order of the members of the Board of Governors and signed on its behalf by:



Hugh Reynolds, Chair of Governors
Date: 1 December 2020

Scope of responsibility

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

The Governors have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the Academy and the Secretary of State for Education. The Principal is also responsible for reporting to the Board of Governors (the Governing Body) any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the statement of governors' responsibilities.

During the year ended 31 August 2020, the full Governing Body met formally on six occasions. In addition to this there were seven meetings of the Finance, Personnel and Premises Committee and a further two meetings of the Audit Committee (and five meetings of the Teaching and Learning Committee and four meetings of the Student and Community Committee). Governors are kept fully informed of all financial matters and receive monthly management accounts from the Head of Finance. The Chair of Governors holds weekly meetings with the Principal of the Academy to discuss current issues.

Attendance of governors during the year at meetings of the full Governing Body was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------------|--------------------------|--------------------------|
| Helen Drummond | 3 | 6 |
| Andrea Henry | 3 | 6 |
| Calvin Henry | 5 | 6 |
| Petal Kaddu | 4 | 6 |
| Peter Law | 4 | 6 |
| Dionne Lewis | 6 | 6 |
| Joye Manyan | 6 | 6 |
| Jacqui Miller | 6 | 6 |
| Hugh Reynolds (Chair) | 6 | 6 |
| Jasmyn Ross | 5 | 6 |
| Oliver Scoullar-Greig | 6 | 6 |
| Paul Sutton | 6 | 6 |
| Paul Vincent | 3 | 6 |
| Mark Whitehead | 1 | 3 |
| Mark Boulton* | 5 | 6 |

**Honorary Governor*

Vision for 2020

In autumn 2016 governors, with the Principal and other staff members, considered their vision for the Academy in 2020. They identified three ambitions for the Academy by 2020, to serve as a focus for development between now and then. The three ambitions are:

- ♦ **Student achievement and progress:** that the progress made by low, middle and high ability students between Y7 and Y11 and between Y11 and Y13 will be in the top 10% of schools nationally, making the Academy an outstanding school, and that the Academy will be in the top 25% of Haringey schools for progress;
- ♦ **STEM:** that the Academy will be the top school in Haringey for STEM, with a national reputation as a centre of excellence in terms of progress in STEM subjects, numbers taking STEM subjects beyond 16 and numbers going on to study STEM after school and into STEM careers; and
- ♦ **Reputation:** that the Academy will have a positive image in the local community, be seen as part of the local community and be attracting students from its local community. In consequence, the Academy will be full and oversubscribed in both Y7 and Y12 with a fully comprehensive intake and will be financially secure.

Plans for future periods

At present, the attention of the school leadership and governors is focused on responding to the continuing challenges and uncertainties resulting from Covid-19. Furthermore, it is extremely difficult to make plans for the medium term until the ongoing impact of changes resulting from the pandemic becomes clearer. Our aim, assuming a return to some kind of normality during next year, is to review how the Academy has performed relative to the above ambitions in 2021 and consider again the strategic objectives for the next three to four years.

Main activities during 2019-20

The main activities of the Governing Body during 2019-20 can be divided into two distinct phases – pre-Covid-19, up to mid-March 2020, and since the onset of Covid-19.

The Governing Body's central focus during the first phase, up to mid-March 2020 was on the improvement measures put in place by the Principal and Senior Leadership Team (SLT) after the disappointing 2018 GCSE results, particularly in maths. In the summer exams in 2019 the GCSE results improved significantly albeit the overall Progress 8 score was still slightly negative at -0.16 and the overall percentage of students achieving at least grade 5 in both English and Mathematics remained at only 19%. Throughout the first half of the year the Governing Body continued to monitor progress of the improvement plans for particular subjects at GCSE (mathematics, science, technology and German) and for the sixth form as a whole.

The most important event during the autumn term was the Academy's inspection by OFSTED, our first for several years. Over two days the team of inspectors interviewed the leadership, teachers and governors as well as some of the students and attended lessons of their (the inspectors) choosing. The result was an overall 'Good' rating and an 'Outstanding' rating in the personal development of pupils. This impressive outcome is a true reflection of the dedication and commitment of all the people who work at the school – leadership, teachers and support staff.

Main activities during 2019-20 (continued)

As you are aware, all schools were ordered to close on Friday 20 March this year followed by the national lockdown becoming effective on Monday 23 March. With effect from that date the only pupils coming to the school were the children of key workers and vulnerable children (those who have or have recently had a social worker) – in all about 20-30 at any one time. The rest of the pupils commenced being taught remotely. Using Microsoft Teams teachers were able to continue to hold assemblies, teach lessons and set/receive work for their classes. With the aid of government funding and a further generous contribution from the Tallow Chandlers the school was able to acquire approx. 90 iPads and laptops to distribute to pupils who would otherwise have had difficulty accessing the online material and teaching which the school was providing.

As you will be aware the GCSE and A level exams were suspended this year and, after some initial confusion, grades were awarded generally on the basis of schools' own prediction of their students' progress and attainment.

At A level, 47% and 79% of our students were graded A*-B and A*-C respectively. In BTEC courses, 29% were graded D*-D and 57% were graded D*-M. Out of 107 Years 13 and 14 students, 88 students gained university places, 58 of whom were accepted to their first-choice university for their preferred course.

At GCSE, 58% of students were graded 9-5 passes in English, 44% were graded 9-5 in maths and, combined, 38% were graded 9-5 in both English and maths. Based on these grades, the school's Progress 8 score was 0.40.

Another main focus of Governors' attention going into 2019-20 was budgetary control. Despite the additional costs resulting from Covid-19 (cleaning, IT, protective equipment etc), some of which will in due course be refunded by the government, the Academy will report only a small c. £28,000 operating deficit for the year ended 31 August 2020; this represents a significant improvement over the large deficit of £81,000 in 2018-19. For the present year 2020-21, reductions in our income, driven by slightly lower pupil numbers, compounded by currently unfunded, nationally directed, increases in teacher and support staff salaries, will again present difficult financial challenges to avoiding another significant deficit.

In the first half of the year, the Governing Body was able, as usual, to hold in-person meetings with the Principal and members of Senior Leadership Team with the objective of monitoring the Academy's general progress through:

- ◆ the Principal's Report and Head of Finance Report, which are presented at each meeting of the full Governing Body;
- ◆ monitoring the school's overall performance against an agreed list of key performance indicators and targets which include the Government's headline measures for academic performance as well as measures relating to student recruitment, behaviour and staff and parental attitudes;
- ◆ the monthly management accounts; and

Main activities during 2019-20 (continued)

- ◆ reports at each Governing Body meeting from its Committees – see below – which consider issues in greater detail than is possible in full GB meetings;
- ◆ all Governing Body and Committee meetings are formally minuted utilising the services of an external clerk.

Once the national lockdown commenced, all Governing Body and Committee meetings continued to be held as scheduled, but virtually rather than in-person. Given the circumstances, in order to keep in more regular contact with issues affecting the school resulting from Covid-19 and the school's responses to them, it was decided to have weekly catch-ups (virtually again) for governors with the Principal over the period from late March to the end of July, supplementing the scheduled meetings.

In accordance with its statutory responsibilities, the Governing Body approved a number of policies including updates of the Safeguarding and Child Protection Policy and Procedures; the SEND Information Report; the admission arrangements for 2021 entry and policies on teaching staff and non-teaching staff pay.

Overall then, 2019-20 was a year of significant achievement and progress for the Academy against, at least for the second half of the year, the background of an external situation unlike anything most of us will have encountered before in our lifetimes. At the time of writing, the uncertainties and restrictions resulting from Covid-19 are continuing. As a governing body we continue to be very grateful to the Principal and all the staff for their commitment to meeting these challenges and continuing to aim to achieve the best possible educational outcomes for the pupils in their care.

Governance reviews

As part of our ongoing review of the effectiveness of the Governing Body, we have this year:

- ◆ kept under review the composition of the Governing Body to ensure it is appropriately diverse with the requisite balance of skills and experience;
- ◆ reviewed the composition of the committees to enable governors to have the opportunity to contribute in their own areas of interest and experience and to bring new perspectives to the committees' work. The role of the Chair is of key importance to the effectiveness of the committees and this year we rotated the Chairs of three of them;
- ◆ to reflect its fundamental importance, we appointed a governor to be the designated lead governor on Safeguarding and included Safeguarding (and an accompanying report) as a standing item on the agenda of each full governors' meeting.

As noted above, with the onset of Covid-19 we decided that it was necessary for the Governing Body to have more regular contact with the school's leadership than afforded by the scheduled formal meetings, in order to keep fully abreast of the developing situation and the school's response. Accordingly, from the March lockdown onwards we instituted weekly virtual catch-up meetings with the Principal to which all governors were invited. These have been deemed a success and we have decided to continue them on a bi-weekly basis from the autumn term onwards.

Governance reviews (continued)

Governing Body Committees (sub-committees of the GB)

Finance, Personnel and Premises Committee (FPP)

The role of the FPP Committee is:

- ◆ To have oversight of the overall finances of the Academy including advising on the annual budget (which is approved by the full GB), monitoring expenditure against the approved budget and encouraging a continuing drive for greater efficiency and value for money in the management of expenditure.
- ◆ To satisfy itself that the Academy's deployment of staff and non-staff resources supports the school's agreed aims and objectives and is overall sustainable given the financial outlook.
- ◆ To advise on staff pay, including performance pay, and conditions of service (the policy on staff pay is signed off by the full GB).
- ◆ To review the Academy's financial regulations and to monitor the implementation of financial controls, taking account of advice from the Audit Committee.
- ◆ To satisfy itself that the Academy provides a safe, healthy and sustainable environment for students, staff and visitors.

Overall the Committee monitors progress towards key targets in respect of financial performance and staffing; considers the adequacy of mitigating actions to manage key risks within its area of responsibility and addresses any other issues referred to it by the Governing Body.

Attendance at meetings during the year was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| Mark Boulton* (Chair) | 7 | 7 |
| Andrea Henry | 3 | 4 |
| Peter Law | 7 | 7 |
| Hugh Reynolds | 7 | 7 |
| Paul Vincent | 4 | 7 |

**Honorary Governor*

The principal issues for the Committee in 2019-20 have been:

- ◆ Monitoring of expenditure against budget. This fell into two parts, before the pandemic (September to mid-March) and after (mid-March to August). Before the pandemic, FPP considered the latest outturn forecasts and investigated where there had been overspending. On the onset of the pandemic, the focus changed and the FPP monitored the changes in expenditure supporting actions to enable ongoing remote teaching through this period.
- ◆ Budgetary control measures. The budgetary control measures developed in 2018-19 were implemented by the Academy. Judgement on the success of the measures will be assessed further as the Academy gets back to more normal (post-pandemic) arrangements through the new academic year.

Governance reviews (continued)

Governing Body Committees (sub-committees of the GB) (continued)

Finance, Personnel and Premises Committee (FPP) (continued)

- ◆ Forward budget planning. Developing a balanced budget has been challenging for 2020/21. This is primarily due to the pupil number varying through the year and being at a low at the point when the government set the GAG income for the following year.
- ◆ For this reason, the FPP have asked the Academy to start identifying changes and keep on top of the pupil numbers which influence income. This will support starting the budgeting process earlier in 2020-21.
- ◆ Transparency and control of spending on outdoor education and sailing. FPP now receive separate school and sailing monthly accounts. These are helping to ensure that the sailing activities continue on a self-financing basis and are kept separate from academy funds. A proposal to move to running all finances for the sailing through a charity has not yet taken place. This is still under consideration for the future.
- ◆ Accuracy of data returns to ESFA. The problems seen in the previous year in this area have not been repeated, but the numbers are a key input for the annual funding form the DfE. As stated above this is therefore an area of focus which gives an early indication (in October) of the funding for the next financial year. They are a key input to the Academy's future financial planning.
- ◆ Value for money/contracts. FPP have strongly supported the Head of Finance's explorations of options for smarter procurement and look forward to further progress on this in 2020-21. FPP have been kept in touch with the Academy's progress in improving the service provided by its caterers, and a new supplier was selected in July and started in time for the new academic year.
- ◆ Compliance with the Academies Financial Handbook. FPP received a note giving assurance that the Academy was compliant with new requirements in the then latest Handbook. FPP asked that the Academy's internal auditor be asked to review the school's financial regulations in detail for compliance with all the provisions of the Handbook.
- ◆ Cyber-security. FPP received regular updates on actions to secure back up of core data in the event of a systems failure and to verify the security of the school's systems from hacking.
- ◆ Health and safety. FPP received the school's annual Health and Safety Report. FPP also received a note on actions taken in response to recommendations from external audits of H & S and fire safety. Some regular activities have been delayed due to the impact of the pandemic on the activities of the school, however the FPP and governors in general have been closely involved in the plans and risk assessments undertaken to ensure that the risks associated with Covid-19 to school personnel and students are minimised to as low as reasonably practical.
- ◆ Greig City Academy Learning awards. FPP approved updated procedures for allocating these awards (of funds and/or equipment to assist staff reach personal development goals) and received a report on the number and nature of awards over the previous year.
- ◆ Staffing. FPP considered benchmarked data on key indicators (contact ratio; Pupil Teacher Ratio (PTR); average class size; average staff cost; and teacher turnover. FPP noted that the value of these indicators for the Academy was in line with similar schools. FPP continued to monitor the gender pay gap data for the Academy. FPP also reviewed the results of the staff survey, which was generally positive, and noted that the SLT are taking action in relation to many of the issues raised.

Governance reviews (continued)

Governing Body Committees (sub-committees of the GB) (continued)

Finance, Personnel and Premises Committee (FPP) (continued)

- ◆ Premises. FPP have received reports on the state of the premises at each meeting prior to the pandemic closing the school. From March onwards the focus was on ensuring the Academy is taking reasonable measures to control and manage the risks of Covid-19 for school personnel and students when on site.
- ◆ Policies. On behalf of the GB, FPP have reviewed a number of school policies including on teachers' pay; staff appraisal; capability; whistleblowing.
- ◆ Governance oversight during the Covid-19 lockdown period. From the March lockdown onwards, weekly virtual meetings were held between the Chair of the Governing Body, The Chair and Vice Chair of FPP, the Head of Finance and the lead SLT member for FPP to ensure governors had oversight of Covid-related issues, health and safety and financial matters.

Audit Committee

The role of the Audit Committee is to advise on the regularity, propriety, compliance and value for money of the Academy's financial management and processes. The Committee is advised on these issues by the Academy's external auditors and by its internal auditor.

The Committee was scheduled to meet three times (in person) over the year but the second meeting, scheduled for 17 March 2020, had to be cancelled due to the developing coronavirus situation. The remaining meeting took place virtually.

Attendance during the year was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------------|--------------------------|--------------------------|
| Joye Manyan (Chair) | 2 | 2 |
| Hugh Reynolds | 2 | 2 |
| Jasmyn Ross | 2 | 2 |
| Oliver Scoullar-Greig | 2 | 2 |
| David Sewell* | 2 | 2 |
| Mark Whitehead | 0 | 1 |

*Associate Governor

Both of the meetings were also attended by the internal auditor.

During 2019-20 the Audit Committee oversaw the preparation of the GCA's 2018-19 Annual Report and Accounts and the preparations for the external audit. It met with the external auditors to receive their report and recommendations following completion of their audit.

The external auditors have been in role for a number of years. Good practice now dictates that, regardless of the level of satisfaction with their service, a retendering process should periodically be carried out to ensure independence and value for money. Accordingly, a retendering process was commenced earlier this year but had to be suspended as a result of Covid-19. It is hoped that circumstances will allow the process to be completed in the coming year.

Governance reviews (continued)

Governing Body Committees (sub-committees of the GB) (continued)

Audit Committee (continued)

The Committee's other main activities in 2019-2020 were:

- ◆ Continuing reviews of the Risk Register, Business Continuity plans and GDPR compliance.
- ◆ Review of progress on previous internal and external audit recommendations and the setting of a timetable for implementation.
- ◆ Approval of the internal audit programme of work for 2019-2020.

Student and Community Committee (S&C)

The role of the Student and Community Committee (S&C) is to support and challenge the Academy in the following areas:

- ◆ Student recruitment and admissions policy.
- ◆ Safeguarding and child protection.
- ◆ Student behaviour and attendance.
- ◆ Religious education and the ways in which the Academy maintains the school's Christian ethos.
- ◆ Engagement with parents and the wider community.

Attendance at the Committee during the year was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------------------|--------------------------|--------------------------|
| Fr Patrick Henderson* | 4 | 4 |
| Andrea Henry | 3 | 4 |
| Petal Kaddu | 2 | 4 |
| Joye Manyan | 4 | 4 |
| Jacqui Miller (Chair) | 4 | 4 |
| Hugh Reynolds (ex-officio) | 3 | 4 |
| Helen Riley* | 4 | 4 |
| Jasmyn Ross | 4 | 4 |
| Paul Vincent | 3 | 4 |

* Co-optees

As with all school committees, our discussions this year have been greatly affected by the Covid-19 pandemic. Much of our work has had to be done remotely and the emphasis has been to a large extent on the well-being of the pupils and staff. However, we have met regularly, by Zoom when not in person, and have conducted our regular business at those meetings.

Governance reviews (continued)

Governing Body Committees (sub-committees of the GB) (continued)

Student and Community Committee (S&C) (continued)

During 2019-2020 the Committee:

- ♦ Reviewed data on student attendance and behaviour including use of in-school isolation and exclusions at each meeting.
- ♦ Reviewed the Academy's Safeguarding and Child Protection procedures and SEND Information report.
- ♦ Reviewed provision for students with SEN.
- ♦ Reviewed the school's Admissions Policy.
- ♦ Considered actions to address top risks within its remit notably the risk of competition from other schools leading to declining student numbers and the risk of students getting sucked into gangs and knife crime.

Teaching and Learning Committee (T&L)

The role of the Teaching and Learning Committee (T&L) is to support and challenge the Academy on standards of teaching and learning, the appropriateness of the curriculum and outcomes achieved for all students across the whole spectrum of ability.

Attendance at the Committee during the year was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| Helen Drummond | 3 | 5 |
| Calvin Henry | 4 | 5 |
| Dionne Lewis | 4 | 5 |
| Joye Manyan (Chair) | 4 | 5 |
| Jacqui Miller | 2 | 5 |
| Hugh Reynolds (ex-officio) | 4 | 5 |
| Kate Roskell* | 4 | 5 |
| Mark Whitehead | 2 | 3 |

*LDBS adviser invited to attend

The main activities of the Committee during 2019-20 were:

- ♦ Monitoring actions taken to deal with the Covid-19 situation. The school remained open throughout the lockdown period for vulnerable children and the children of key workers. Attendance on site was low. Students, with the exception of those who were already isolating had training on access to online work via Microsoft Teams. The school is now engaging in a more robust system of monitoring online access by students so that it can monitor the time students spend using this facility and it will be able to put these measures in place should a partial closedown of the school happen again.
- ♦ Reviewing the actions taken to check on students about whom there were concerns – for example, the lack of IT equipment and poor working areas within the home. The supply of laptops by the Tallow Chandlers' Company and the Government was a great help.

Governance reviews (continued)

Governing Body Committees (sub-committees of the GB) (continued)

Teaching and Learning Committee (T&L) (continued)

- ◆ Maths improvement. The Committee regularly monitored the progress of this curriculum area utilising the strategies suggested by the maths consultant hired in 2018/2019. The new head of department will be meeting with the Committee in November 2020 to give further updates on progress.
- ◆ Review of KS4/5 results: We noted the improvements and the plans in place to ensure that these continue in the current academic year. We were delighted with the increased number of students who were going to Russell Group institutions, including Oxford University.
- ◆ Monitoring the underachievement of certain groups of pupils. Governors are closely monitoring the underachievement of black Caribbean heritage boys and are working on the further reduction of permanent exclusions. The school is working closely with the Haringey Education Partnership (HEP) to raise standards locally. At the same time, the school is responding to the Black Lives Matter movement by looking at the curriculum, looking at further strategies to support high attainers and training of staff to support these improvements. A great deal of this work had been started but due to lockdown had to be deferred until the start of the new school year.
- ◆ Ofsted. Governors were delighted with the Good grading and noted the outstanding features.
- ◆ Noting achievements in STEM. The new STEM Centre was fully operational in the autumn term and officially opened in November. 30% of Year 13 students went on to study STEM subjects at university.
- ◆ Science. The Head of Department is developing well and is being supported by the school.

Standing Committee

The Standing Committee's membership consists of the Chair and Vice Chair of the Governing Body, the chairs of the other GB Committees, the Principal and Vice Principals. The Standing Committee met once during 2019-2020 to discuss the ongoing approach to how Governing Body and Committee meetings are run to ensure they are as useful and efficient as possible in enabling governors to carry out their regulatory responsibilities.

Review of value for money

I, Paul Sutton, Principal, accept that as accounting officer of Greig City Academy I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

Review of value for money (continued)

The school has a disadvantaged intake according to a number of different indicators. This presents the school with many challenges to overcome to ensure that students achieve their full potential. The proportion of students that do not have English as their first language now stands at 63% (2019 - 64%). 49% of students (2019 – over 50%) have been eligible for free school meals at some time during the past six years. There is a gender imbalance at the school with girls making up 42% (2019 – 42%) of the student body and boys 58% (2019 – 58%). This has implications for pastoral care, student support services and examination results.

Student numbers remained stable throughout 2019-20 with 1101 students on roll in July (2019 – 1,099). The Year 7 numbers in September 2020 were the same as in September 2019 (2019 – small decrease on 2018).

The school offers a wide range of Key Stage 4 and 5 courses, with traditional GCSE and A levels and BTEC vocational qualifications. The aim is always to give students the opportunity to tailor their studies towards their individual strengths and interests as well as their future higher education and career plans. We expect young people who enjoy, and are fully engaged in, their studies to have the best possible chance of reaching their potential, inspiring younger students and contributing positively to society.

Our extensive extra-curricular programme offers students new experiences and challenges as well as opportunities to realise their talents. Outdoor education is a particular strength of the school. Over the last six years, the school has invested in the development of a sailing programme in which students from Years 7 to 13 regularly take part. Students enjoy the variety of all the other activities on offer – from debating to robotics, dance to enterprise, music making to language clubs, and much more. Sixth formers acknowledge the fact that their involvement in such activities significantly enhances their chances of gaining a place at their first choice university. Sixth formers also continue to benefit from our investment in creating work experience and internships; working with professionals in a variety of fields helps them in their decision-making for life beyond school.

After school clubs and after-hours access to school facilities enable students whose parents are working to remain in school in a safe and secure environment.

The Covid-19 pandemic had a major impact on the way the Academy directed its resources. From the onset of lockdown in March, the school remained open until the end of the summer term, including during the Easter break, for the children of key workers and for students who had, or had recently had, a social worker. Staff were proactive in supporting students and their families, including making home visits. All regular contacts with social services and individual social workers continued as did all work related to safeguarding and child protection issues and the distribution of free school meal vouchers.

Review of value for money (continued)

A high number of students did not have access to the resources needed for online learning. Although we were fortunate to receive funds for this purpose from the Tallow Chandlers' Company, there was a need to redirect significant school resources to the purchase of equipment and printed resources so as to ensure as many students as possible continued to have access to lessons. During the summer holidays, staff developed plans for remote learning in the event of a full or partial lockdown during 2020-21. This required a high level of investment in IT and related resources and we expect similar levels of expenditure to continue in the 2020-21 academic year.

Considerable levels of expenditure were also required for the introduction of additional hygiene and safety measures, for signage and the creation of walkways, and for the reorganisation of classroom, office and communal spaces. Again, these areas of work will require ongoing expenditure in 2020-21.

In relation to payments made to suppliers, the Covid-19 outbreak did not impact on value for money. The new principles of PNN02/20 and PNN04/20 had no impact on our business during the year as none of our suppliers were deemed at risk and no special payment measures were necessary.

Financial governance and oversight

The Academy's Governing Body has strategic oversight of the financial management of the financial resources at the Academy. The Finance, Personnel and Premises (FPP) Committee meets at least termly to review the academy's financial performance against budget, to receive reports and, if necessary, to question decisions. The levels of delegation on spending ensure we take the necessary steps to achieve best value. The Audit Committee and the Full Governing Body also regularly monitor and review aspects of finance; receiving and approving the annual financial statements and the internal and external auditor's findings reports. The Governing Body considers key financial policies and procedures including pay, disposal of assets and fraud policies to ensure that these are in line with best practice and support the value for money objectives of the Academy. An independent internal auditor has been appointed by the school and an annual programme of audit visits is in place. The internal auditor performs tests on the financial systems and procedures and reports back with recommendations to the Audit Committee and the Academy.

The Finance, Personnel and Premises Committee (FPP) oversees the budget setting process and the Full Governing Body approves the budget. The school is allowed to set a deficit budget provided there are sufficient reserves to enable this deficit to be funded. This ensures that the Academy continues to be managed on a 'going concern' basis.

Purchasing

Our budget holders are continually looking for the most competitive deals using various procurement tools such as the internet and offers from accredited suppliers. The Academy reviews its requirements and supply of goods and services from external suppliers to ensure those goods and services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money.

Review of value for money (continued)

Purchasing (continued)

Tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis and to ensure that long-term contracts of between three and five years remain competitive.

All purchasing follows best value principles. A scheme of delegation is in place, as are segregation of duties. Purchases of over £2,000 require three written quotations, and contracts and orders over £25,000 or for a series of contracts which in total exceed £25,000 are subject to formal tendering procedures. Purchases over £50,000 are authorised by the FPP Committee. Purchases with a value over €209,000 (£164,176) over the life of the contract are made under the EU procurement rules. Governors and staff accept that best value quotes may not be the cheapest and other factors, including workmanship and quality of services are considered and in such instances any variations are documented.

All purchase payments require at least two signatures.

Better income generation

The Academy has been successful with a number of external income streams including the ESFA's Condition Improvement Fund. We have ensured that all funding available through the Pupil Premium has been secured through a drive to identify all eligible students. This has provided funding which has been spent in aiming at closing the attainment gap for our pupils and improving results. In addition, the Academy has secured funding and support from external organisations aimed at improving and raising the quality of learning for our students. The Academy explores every opportunity to generate income through the hire of Academy facilities and has a multi-year agreement with an organisation – the Polish School Devonian – which generates a steady income stream. The Academy ensures that all surplus cash balances are placed in interest bearing accounts and term deposits so as to maximise interest income.

Reviewing Controls and Managing Risk

As noted above (pages 19 to 22) the Academy has updated its risk register during the year and the Audit Committee regularly considers all identified risks, reviewing and where appropriate adjusting the ranking of such risks as well as the control procedures in place to manage them. Special emphasis is placed on the highest ranked risks. Insurance cover is currently provided through Travelers Insurance Company Ltd. following a tender process. The policy is reviewed annually by the Head of Finance to ensure it provides comprehensive cover for the needs of the Academy. All governors and budget holders are required to complete a Register of Business Interests form at least annually or more frequently as applicable. All governors have to declare any specific interest where there is one at governors' meetings, and the requirement to declare an interest in matters for discussion is therefore a standing agenda item at all Governing Body and committee meetings. The risk register also informs the work of the internal auditor and he makes recommendations for the Academy's consideration and implementation.

Review of value for money (continued)

Reviewing operation to maximise use of resources

The Senior Leadership Team together with the Head of Finance sets the budget against the framework of the Academy's development plan to take account of changes in curriculum offer, and any new strategies identified in the Academy's School Improvement Plan. Annual budgets are also prepared to fit in with the longer term strategic plans of the Academy and revised to take account of the effectiveness of past strategies and plans. The annual budget is considered and approved by FPP Committee and the Governing Body. The Academy takes a prudent approach to expenditure. About 80% of the Academy's budget is spent on staffing. Therefore, the staffing structure is reviewed annually to ensure that it meets the requirements of the Academy and is flexible and responsive in supporting the successful attainment of objectives set out in the strategic and improvement plans for the Academy.

Budget monitoring reports are produced by the Head of Finance. These reports are considered by the Senior Leadership Team through the Vice Principal and by the Governing Body and the FPP Committee. FPP has made comparisons by assessing through benchmarks teaching and learning, staffing levels and expenditure across similar schools. This exercise has shown that our costs are not out of line with those of other academies and in some instances are below average.

Resources, equipment and materials are provided to staff and pupils in a way that supports quality of teaching and learning and enables them to achieve the best outcomes.

Financial Summary

The Academy's financial results for 2019/20 show an increase in income compared to last year of £324K (2019 – £60K decrease), and an increase in expenditure of £394K (2019 – £272K) leading to a deficit of £1,617K (2019 – £1,547K). The deficit of £1,617K includes annual LGPS pension adjustments of £368K and net capital costs of £1,221K. Excluding these costs, the operational deficit for the year was £28K which better reflects the financial performance of the Academy for the year (see Financial Review on page 15). The actuarial loss on the defined benefit pension scheme, as confirmed by the Actuarial Valuation as at 31 August 2020, is £8K (2019 – £988K). Cash in hand has reduced £99K (2019 – £254K reduction) due largely to fixed asset purchases over the year. The budget for 2020/21 has been agreed following a challenging process and budgeted income is up £74K (2019 – £344K up on the previous year's budget). The budgeted operational deficit for 2020-21 is £281K (2019 - £152K budgeted operational deficit) and should be compared with the actual operational deficit in the year to 31 August 2020 of £28K.

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 the Academy's 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 at the Academy for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

As noted on page 19 onwards, the Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 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 Governors.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- ◆ regular reviews by the Finance, Personnel and Premises 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.

Governors have considered the need for a specific internal audit function and receive regular reports from Mr Bob Deed as internal auditor. Mr Deed has extensive experience of the educational sector having been the internal auditor at a number of other academies and a finance compliance manager at the DfE Academies Finance Unit.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The internal auditor reports to the governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities. Three reports were produced in the current year. No significant weaknesses were reported. A number of minor recommendations have been made and these are being addressed by the Academy's management.

Governors also consider and act upon, where necessary, the post-audit management report and recommendations from the external auditors.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ◆ the work of the internal auditor;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;

Review of effectiveness (continued)

- ♦ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

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



Hugh Reynolds
(Chair of Governors)



Paul Sutton
(Accounting Officer)

Date: 1 December 2020

Statement of regularity, compliance and propriety 31 August 2020

As Accounting Officer of Greig City Academy, I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 Board of Governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 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 Governors and ESFA.



Paul Sutton
(Accounting Officer)

Date: 1 December 2020

Statement of Governors' responsibilities 31 August 2020

The governors (who act as trustees of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued 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 governors to prepare financial statements for each financial year. Under company law, the governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

The governors are responsible for ensuring that in its conduct and operation the Academy 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 the ESFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 Governors and signed on its behalf by:



Hugh Reynolds
(Chair of Governors)

Date: 1 December 2020

Independent auditor's report to the members of Greig City Academy

Opinion

We have audited the financial statements of Greig City Academy the ('charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Other information (covers the reference and administrative details, the report of the governors and strategic report and the governance statement)

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

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

We have nothing to report in this regard.

Opinions 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 governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors 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 governors 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 governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

7 December 2020

Independent reporting accountant's assurance report on regularity to Greig City Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2019 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 Greig City Academy during the period from 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 Greig City Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Greig City Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Greig City Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Greig City Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Greig City Academy's funding agreement with the Secretary of State for Education dated 30 March 2015 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 period from 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.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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.

Independent reporting accountant's report on regularity 31 August 2020

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Reporting Accountant
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

7 December 2020

Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2020

| | | Unrestricted general fund | Restricted funds | | | 2020 Total funds | 2019 Total funds |
|--|-------|---------------------------------|------------------|--------------------------|---------|------------------------|------------------------|
| Notes | £'000 | General £'000 | Other £'000 | Fixed assets £'000 | £'000 | £'000 | |
| Income from: | | | | | | | |
| Donations and capital grants | 1 | - | 412 | - | 37 | 449 | 596 |
| Charitable activities | | | | | | | |
| Funding for the academy's educational operations | 4 | - | 8,941 | - | - | 8941 | 8,435 |
| Other trading activities | 2 | 61 | 88 | - | - | 149 | 182 |
| Investments | 3 | 6 | - | - | - | 6 | 8 |
| Total income | | 67 | 9,441 | - | 37 | 9,545 | 9,221 |
| Expenditure on: | | | | | | | |
| Charitable activities | | | | | | | |
| Academy's educational operations | 6 | 20 | 9,884 | - | 1,258 | 11,162 | 10,768 |
| Total expenditure | | 20 | 9,884 | - | 1,258 | 11,162 | 10,768 |
| Net income (expenditure) | | 47 | (443) | - | (1,221) | (1,617) | (1,547) |
| Other recognised gains and losses | | | | | | | |
| Actuarial (losses) gains on defined benefit pension scheme | 20 | - | (8) | - | - | (8) | (988) |
| Net movement in funds | | 47 | (451) | - | (1,221) | (1,625) | (2,535) |
| Reconciliation of funds | | | | | | | |
| Total fund balances brought forward at 1 September 2019 | | 624 | (759) | - | 15,523 | 15,388 | 17,923 |
| Total fund balances carried forward at 31 August 2020 | | 671 | (1,210) | - | 14,302 | 13,763 | 15,388 |

All of the Academy's activities were derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2020

| | Notes | 2020 £'000 | 2020 £'000 | 2019 £'000 | 2019 £'000 |
|--|-------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 11 | | 14,297 | | 15,420 |
| Current assets | | | | | |
| Debtors | 12 | 257 | | 353 | |
| Cash at bank and in hand | | 2,031 | | 2,130 | |
| | | 2,288 | | 2,483 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 13 | (503) | | (572) | |
| Net current assets | | | 1,785 | | 1,911 |
| Total assets less current liabilities | | | 16,082 | | 17,331 |
| Pension scheme liability | 20 | | (2,319) | | (1,943) |
| Total net assets | | | 13,763 | | 15,388 |
| Restricted funds | | | | | |
| Fixed assets fund | 14 | | 14,302 | | 15,523 |
| Restricted general fund | 14 | | 1,109 | | 1,184 |
| Pension reserve | 14 | | (2,319) | | (1,943) |
| Total restricted funds | | | 13,092 | | 14,764 |
| Unrestricted income funds | | | | | |
| General fund | 14 | | 671 | | 624 |
| Total funds | | | 13,763 | | 15,388 |

The financial statements on pages 47 to 70 were approved by the governors, and authorised for issue and are signed on their behalf by:



Hugh Reynolds
(Chair)

Date: 1 December 2020

Greig City Academy
Company Limited by Guarantee
Registration Number: 04220486 (England and Wales)

Statement of cash flows Year to 31 August 2020

| | | 2020 £'000 | 2019 £'000 |
|--|---|---------------|---------------|
| Net cash outflow from operating activities | | | |
| Net cash used in operating activities | A | (8) | (52) |
| Cash flows from investing activities | B | (91) | (202) |
| Change in cash and cash equivalents in the year | | <u>(99)</u> | <u>(254)</u> |
| Reconciliation of net cash flow to movement in net funds: | | | |
| Cash and cash equivalents at 1 September 2019 | | 2,130 | 2,384 |
| Cash and cash equivalents at 31 August 2020 | C | <u>2,031</u> | <u>2,130</u> |

A Reconciliation of net expenditure to net cash flow from operating activities

| | 2020 £'000 | 2019 £'000 |
|--|----------------|----------------|
| Net expenditure for the year (as per the statement of financial activities) | (1,617) | (1,547) |
| Adjusted for: | | |
| Depreciation charges (note 11) | 1,258 | 1,251 |
| Capital grants from DfE and other capital income | (37) | (84) |
| Interest receivable (note 3) | (6) | (8) |
| Defined benefit pension scheme cost less contributions payable (note 20) | 330 | 277 |
| Defined benefit pension scheme finance cost (note 20) | 38 | 22 |
| Decrease (Increase) in debtors | 95 | (28) |
| (Decrease) increase in creditors | (69) | 65 |
| Net cash provided by (used in) operating activities | (8) | (52) |

B Cash flows from investing activities

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Dividends, interest and rents from investments | 6 | 8 |
| Purchase of tangible fixed assets | (134) | (294) |
| Capital grants from DfE/ESFA | 37 | 84 |
| Net cash used in investing activities | (91) | (202) |

C Analysis of cash and cash equivalents

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Cash at bank and in hand | 2,031 | 2,130 |
| Total cash and cash equivalents | 2,031 | 2,130 |

Statement of cash flows Year to 31 August 2020

D Analysis of changes in net debt

| | At 1 September 2019 £'000 | Cash flows £'000 | Acquisition/ disposal of subsidiaries £'000 | New finance leases £'000 | Other non-cash changes £'000 | At 31 August 2020 £'000 |
|---|------------------------------------|------------------------|--|-----------------------------------|---------------------------------------|----------------------------------|
| Cash | 2,130 | (99) | - | - | - | 2,031 |
| Cash equivalents | - | - | - | - | - | - |
| Overdraft facility repayable on demand | - | - | - | - | - | - |
| | 2,130 | (99) | - | - | - | 2,031 |
| Loans falling due within one year | - | - | - | - | - | - |
| Loans falling due after more than one year | - | - | - | - | - | - |
| Finance lease obligations | - | - | - | - | - | - |
| Total | 2,130 | (99) | - | - | - | 2,031 |

Statement of accounting policies

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

Basis of preparation

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

Greig City Academy meets the definition of a public benefit entity under FRS 102.

Going concern

The governors 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 company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy 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. This rationale is demonstrated by the fact that the Academy has forecast deficits for the next two years which are covered more than three times by available reserves of £1,780k at 31 August 2020.

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.

The 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.

Income (continued)

Grants (continued)

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

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Expenditure

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

Expenditure (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 stated net of recoverable VAT.

Tangible fixed assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

| | |
|---|---------------|
| ♦ Long leasehold buildings | 2% per annum |
| ♦ Computer and related equipment | 25% per annum |
| ♦ Motor vehicles | 20% per annum |
| ♦ Fixtures, fittings and office equipment | 15% per annum |

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

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

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. 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 13. 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.

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method.

Pensions benefits (continued)

As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all grants received from the Education and Skills Funding Agency and other government grants for educational operations.

Restricted other funds comprise all other restricted funds received and include grants from the London Borough of Haringey.

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 areas of judgement (continued)

Critical accounting estimates and assumptions

The Academy 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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 expected useful lives of tangible fixed assets are estimated for the purpose of determining the rate of depreciation.

Critical areas of judgement

There were no items in the financial statements which required the governors to make critical judgements.

Agency Arrangements

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy does not have control over the charitable application of funds. The funds received and paid and any balances held are disclosed in note 21.

Notes to the Financial Statements Year to 31 August 2020

1 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Restricted fixed assets funds £'000 | 2020 Total funds £'000 |
|---------------------|-----------------------------|---------------------------|--|---------------------------|
| Capital grants | - | - | 37 | 37 |
| Private sponsorship | - | 184 | - | 184 |
| Other donations | - | 228 | - | 228 |
| | - | 412 | 37 | 449 |

| | Unrestricted funds £'000 | Restricted funds £'000 | Restricted fixed assets funds £'000 | 2019 Total funds £'000 |
|---------------------|-----------------------------|---------------------------|--|---------------------------|
| Capital grants | - | - | 84 | 84 |
| Private sponsorship | - | 281 | - | 281 |
| Other donations | - | 231 | - | 231 |
| | - | 512 | 84 | 596 |

2 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | 2020 Total funds £'000 |
|------------------------------------|-----------------------------|---------------------------|---------------------------|
| Hire of facilities/lettings income | 50 | - | 50 |
| Charged out services | - | - | - |
| Catering income | - | 88 | 88 |
| Trip income | - | - | - |
| Caretakers house rental | 11 | - | 11 |
| | 61 | 88 | 149 |

| | Unrestricted funds £'000 | Restricted funds £'000 | 2019 Total funds £'000 |
|------------------------------------|-----------------------------|---------------------------|---------------------------|
| Hire of facilities/lettings income | 60 | - | 60 |
| Charged out services | 9 | - | 9 |
| Catering income | - | 100 | 100 |
| Trip income | 3 | - | 3 |
| Caretakers house rental | 10 | - | 10 |
| | 82 | 100 | 182 |

3 Investment income

| | Unrestricted funds £'000 | Restricted funds £'000 | 2020 Total funds £'000 |
|---------------------|--------------------------------|------------------------------|---------------------------------|
| Interest receivable | 6 | - | 6 |
| | 6 | - | 6 |

| | Unrestricted funds £'000 | Restricted funds £'000 | 2019 Total funds £'000 |
|---------------------|--------------------------------|------------------------------|---------------------------------|
| Interest receivable | 8 | - | 8 |
| | 8 | - | 8 |

4 Funding for academy's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | 2020 Total funds £'000 |
|--|--------------------------------|------------------------------|---------------------------------|
| DfE / ESFA revenue grant | | | |
| . General Annual Grant (GAG) | - | 7,811 | 7,811 |
| . Other DfE / ESFA grants | - | 922 | 922 |
| | - | 8,733 | 8,733 |
| Other Government grants | | | |
| . Local authority grants | - | 201 | 201 |
| | - | 201 | 201 |
| Other Income | | | |
| . Income from Academy Trust's educational operations | - | 7 | 7 |
| | - | 7 | 7 |
| | - | 8,941 | 8,941 |

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The Trust did not make a claim in year.

| | Unrestricted funds £'000 | Restricted funds £'000 | 2019 Total funds £'000 |
|---------------------------------|--------------------------------|------------------------------|---------------------------------|
| DfE / ESFA revenue grant | | | |
| . General Annual Grant (GAG) | - | 7,587 | 7,587 |
| . Other DfE / ESFA grants | - | 650 | 650 |
| | - | 8,237 | 8,237 |
| Other Government grants | | | |
| . Local authority grants | - | 198 | 198 |
| | - | 8,435 | 8,435 |

Notes to the Financial Statements Year to 31 August 2020

5 Expenditure

| | Staff costs £'000 | Non pay expenditure | | 2020 Total funds £'000 |
|----------------------------------|----------------------|---------------------|----------------------|------------------------------|
| | | Premises £'000 | Other costs £'000 | |
| Academy's educational operations | | | | |
| . Direct costs | 6,706 | 1,070 | 939 | 8,715 |
| . Allocated support costs | 1,263 | 708 | 476 | 2,447 |
| | 7,969 | 1,778 | 1,415 | 11,162 |

| | Staff costs £'000 | Non pay expenditure | | 2019 Total funds £'000 |
|----------------------------------|----------------------|---------------------|----------------------|------------------------------|
| | | Premises £'000 | Other costs £'000 | |
| Academy's educational operations | | | | |
| . Direct costs | 6,165 | 1,063 | 1,018 | 8,246 |
| . Allocated support costs | 1,305 | 691 | 526 | 2,522 |
| | 7,470 | 1,754 | 1,544 | 10,768 |

| | 2020 Total funds £'000 | 2019 Total funds £'000 |
|--|------------------------------|------------------------------|
| Expenditure for the year includes: | | |
| Operating lease rentals – office equipment | 23 | 21 |
| Depreciation | 1,258 | 1,251 |
| Audit fees payable to auditor | | |
| . Audit | 14 | 14 |
| . Other services | 2 | 4 |

6 Charitable activities - academy's educational operations

| | 2020 Total funds £'000 | 2019 Total funds £'000 |
|---------------|------------------------------|------------------------------|
| Direct costs | 8,715 | 8,246 |
| Support costs | 2,447 | 2,522 |
| | 11,162 | 10,768 |

| | 2020 Total funds £'000 | 2019 Total funds £'000 |
|----------------------------------|------------------------------|------------------------------|
| Analysis of support costs | | |
| Support staff costs | 1,263 | 1,305 |
| Depreciation | 189 | 188 |
| Technology costs | 7 | 12 |
| Premises costs | 519 | 503 |
| Catering contract | 160 | 261 |
| Other support costs | 197 | 174 |
| Governance costs | 112 | 79 |
| Total support costs | 2,447 | 2,522 |

Notes to the Financial Statements Year to 31 August 2020

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

| | Notes | Unrestricted general fund £'000 | Restricted funds | | | 2019 Total funds £'000 |
|--|-------|--|------------------|----------------|--------------------------|---------------------------------|
| | | | General £'000 | Other £'000 | Fixed assets £'000 | |
| Income from: | | | | | | |
| Donations and capital grants | 1 | - | 512 | - | 84 | 596 |
| Charitable activities | | | | | | |
| . Funding for the academy's educational operations | 4 | - | 8,237 | 198 | - | 8,435 |
| Other trading activities | 2 | 82 | 100 | - | - | 182 |
| Investments | 3 | 8 | - | - | - | 8 |
| Total income | | 90 | 8,849 | 198 | 84 | 9,221 |
| Expenditure on: | | | | | | |
| Charitable activities | | | | | | |
| . Academy's educational operations | 6 | 38 | 9,281 | 198 | 1,251 | 10,768 |
| Total expenditure | | 38 | 9,281 | 198 | 1,251 | 10,768 |
| Net income (expenditure) | | 52 | (432) | - | (1,167) | (1,547) |
| Transfers between funds | | - | (110) | - | 110 | - |
| Other recognised gains and losses | | | | | | |
| Actuarial (losses) gains on defined benefit pension scheme | 20 | - | (988) | - | - | (988) |
| Net movement in funds | | 52 | (1,530) | - | (1,057) | (2,535) |
| Reconciliation of funds | | | | | | |
| Total fund balances brought forward at 1 September 2018 | | 572 | 771 | - | 16,580 | 17,923 |
| Total fund balances carried forward at 31 August 2019 | | 624 | (759) | - | 15,523 | 15,388 |

8 Staff

a) Staff costs

Staff costs during the year were:

| | 2020 Total funds £'000 | 2019 Total funds £'000 |
|---------------------------|---------------------------------|---------------------------------|
| Wages and salaries | 5,628 | 5,471 |
| Social security costs | 610 | 579 |
| Pension costs | 1,443 | 1,087 |
| | 7,681 | 7,137 |
| Supply staff costs | 288 | 333 |
| Staff restructuring costs | - | - |
| | 7,969 | 7,470 |

b) Staff severance payments

There were no severance payments paid in 2019-20 (2018-19 nil).

c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 was as follows:

| Charitable activities | 2020 No. | 2019 No. |
|----------------------------|-------------|-------------|
| Teachers | 81 | 79 |
| Administration and support | 49 | 51 |
| Management | 9 | 9 |
| | 139 | 139 |

d) Higher paid staff

The number of employees whose emoluments (excluding employer pension costs) fell within the following bands was:

| | 2020 No. | 2019 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 10 | 6 |
| £70,001 - £80,000 | 3 | 3 |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | - | 1 |
| £130,000 - £140,000 | - | 1 |
| £140,000 - £150,000 | 1 | - |

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's national insurance contributions) received by key management personnel for their services to the academy trust was £847,451 (2019 – £829,445).

9 Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The remuneration and other benefits was as follows:

| | 2020 £ | 2019 £ |
|-------------------------------------|-------------------|-------------------|
| Paul Sutton, Principal and Governor | | |
| · Remuneration | 145,000 – 150,000 | 130,000 - 135,000 |
| · Employer's pension contributions | 30,000 – 35,000 | 20,000 - 25,000 |
| Andrew Wilson, Staff Governor | | |
| · Remuneration | 0 | 50,000 – 55,000 |
| · Employer's pension contributions | 0 | 5,000 – 10,000 |

During the year ended 31 August 2020 no travel and subsistence expenses were reimbursed to governors (2019 – £nil).

10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 per annum on any one claim and the cost for the year ended 31 August 2020 was £1,773 (2019 – £1,583).

11 Tangible fixed assets

| | Leasehold land and buildings £'000 | Furniture and equipment £'000 | Computer equipment £'000 | Motor vehicles £'000 | 2020 Total £'000 |
|--------------------------|---|--|--------------------------------|----------------------------|------------------------|
| Cost/valuation | | | | | |
| At 1 September 2019 | 32,739 | 688 | 861 | 46 | 34,334 |
| Additions | 38 | 18 | 50 | 28 | 134 |
| Disposals | - | - | - | - | - |
| At 31 August 2020 | 32,777 | 706 | 911 | 74 | 34,468 |
| Depreciation | | | | | |
| At 1 September 2019 | 17,720 | 333 | 815 | 45 | 18,913 |
| Charge for the year | 1,143 | 84 | 25 | 6 | 1,258 |
| Elimination on disposals | - | - | - | - | - |
| At 31 August 2020 | 18,863 | 417 | 840 | 51 | 20,171 |
| Net book value | | | | | |
| At 31 August 2020 | 13,914 | 289 | 71 | 23 | 14,297 |
| At 31 August 2019 | 15,017 | 357 | 46 | - | 15,420 |

Notes to the Financial Statements Year to 31 August 2020

12 Debtors

| | 2020 £'000 | 2019 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 7 | 34 |
| VAT recoverable | 139 | 129 |
| Other debtors | 3 | 6 |
| Prepayments and accrued income | 108 | 184 |
| | 257 | 353 |

13 Creditors: amounts falling due within one year

| | 2020 £'000 | 2019 £'000 |
|-------------------------------------|---------------|---------------|
| Trade creditors | 215 | 246 |
| Taxation and social security | 154 | 153 |
| Accruals and deferred income | 134 | 173 |
| | 503 | 572 |
| Deferred income | | |
| Deferred Income at 1 September 2019 | 142 | 102 |
| Released during the year | (142) | (102) |
| Resources deferred in the year | 54 | 142 |
| Deferred Income at 31 August 2020 | 54 | 142 |

Deferred income relates to Devolved Formula Capital Grant 2020-21 of £24,000 (2019 – £24,000), Tallow Chandlers 2020-2021 of £30,000 (2019 – £27,500), LEA Growth Fund 2020-21 of nil (2019 – £59,300) and lettings 2020-21 of nil (2019 – £30,700).

14 Funds

| | Balance at 1 September 2019 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2020 £'000 |
|-------------------------------------|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| . General Annual Grant (GAG) | 1,184 | 7,811 | (7,886) | - | 1,109 |
| . Pupil Premium | - | 503 | (503) | - | - |
| . Other grants | - | 1,127 | (1,127) | - | - |
| . Pension reserve | (1,943) | - | (368) | (8) | (2,319) |
| | (759) | 9,441 | (9,884) | (8) | (1,210) |
| Restricted fixed assets fund | | | | | |
| . DfE/ESFA capital grants | 103 | 37 | - | (134) | 6 |
| . Fixed assets fund | 15,420 | - | (1,258) | 134 | 14,296 |
| | 15,523 | 37 | (1,258) | - | 14,302 |
| Total restricted funds | 14,764 | 9,478 | (11,148) | (8) | 13,086 |
| Unrestricted funds | | | | | |
| . General funds | 624 | 67 | (20) | - | 671 |
| Total unrestricted funds | 624 | 67 | (20) | - | 671 |
| Total funds | 15,388 | 9,545 | (11,162) | (8) | 13,763 |

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

General restricted funds***ESFA revenue grant fund and other restricted funds***

The restricted general funds are used to meet the normal operating costs of the Academy. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other restricted funds

This represents all other restricted income which does not form part of GAG or other government grants.

Fixed asset fund

The gross transfer from the restricted general fund to the fixed asset fund represents capital expenditure met from the General Annual Grant (GAG). In addition sums earmarked for special capital projects have been allocated against grants received from private sector sponsorship.

Notes to the Financial Statements Year to 31 August 2020

14 Funds (continued)

General restricted funds (continued)

Pension reserve

There is a pension deficit of £2,319K (2019 – £1,943K) on the local government pension scheme. It is not expected that there will be a requirement to provide this shortfall in the near future or that any deficit will be met out of unrestricted funds.

Comparative information

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

| | Balance at 1 September 2018 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2019 £'000 |
|-------------------------------------|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| · General Annual Grant (GAG) | 1,427 | 7,586 | (7,829) | - | 1,184 |
| · Pupil Premium | - | 541 | (541) | - | - |
| · Other grants | - | 110 | - | (110) | - |
| · Pension reserve | (656) | - | (299) | (988) | (1,943) |
| | <u>771</u> | <u>8,237</u> | <u>(8,669)</u> | <u>(1,098)</u> | <u>(759)</u> |
| Restricted fixed assets fund | | | | | |
| · DfE/ESFA capital grants | 203 | 84 | - | (184) | 103 |
| · Fixed assets fund | 16,377 | - | (1,251) | 294 | 15,420 |
| | <u>16,580</u> | <u>84</u> | <u>(1,251)</u> | <u>110</u> | <u>15,523</u> |
| Other restricted funds | | | | | |
| · Local authority grants | - | 198 | (198) | - | - |
| · Other restricted funds | - | 612 | (612) | - | - |
| | <u>-</u> | <u>810</u> | <u>(810)</u> | <u>-</u> | <u>-</u> |
| Total restricted funds | <u>17,351</u> | <u>9,131</u> | <u>(10,730)</u> | <u>(988)</u> | <u>14,764</u> |
| Unrestricted funds | | | | | |
| · General funds | 572 | 90 | (38) | - | 624 |
| Total unrestricted funds | <u>572</u> | <u>90</u> | <u>(38)</u> | <u>-</u> | <u>624</u> |
| Total funds | <u>17,923</u> | <u>9,221</u> | <u>(10,768)</u> | <u>(988)</u> | <u>15,388</u> |

15 Analysis of net assets between funds

| | Unrestricted funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Fund £'000 | Total 2020 £'000 |
|--|--------------------------------|---|---|------------------------|
| Fund balances at 31 August 2020 are represented by: | | | | |
| Tangible fixed assets | - | - | 14,297 | 14,297 |
| Current assets | 671 | 1,612 | 5 | 2,288 |
| Current liabilities | - | (503) | - | (503) |
| Pension scheme liability | - | (2,319) | - | (2,319) |
| Total net assets | <u>671</u> | <u>(1,210)</u> | <u>14,302</u> | <u>13,763</u> |

15 Analysis of net assets between funds (continued)

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

| | Unrestricted funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Fund £'000 | Total 2019 £'000 |
|--|--------------------------------|---|---|------------------------|
| <i>Fund balances at 31 August 2019 are represented by:</i> | | | | |
| Tangible fixed assets | - | - | 15,420 | 15,420 |
| Current assets | 624 | 1,756 | 103 | 2,483 |
| Current liabilities | - | (572) | - | (572) |
| Pension scheme liability | - | (1,943) | - | (1,943) |
| Total net assets | 624 | (759) | 15,523 | 15,388 |

16 Capital commitments

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Contracted for, but not provided in the financial statements | - | - |

17 Financial commitments

Operating leases

At 31 August 2020, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Amounts due within one year | 23 | 21 |
| Amounts due between two and five years inclusive | 61 | 84 |
| | 84 | 105 |

18 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.

19 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Governing Body has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place during the year:

The Academy received sponsorship income of £183,667 (2019 – £170,399) from The Greig Trust, a sponsor of the Academy.

19 Related party transactions (continued)

One of the members is also an employee of the London Diocesan Board of Schools (LDBS), with whom the Academy transacts. The Academy paid LDBS £14,055 (2019 – £10,346) in the year for core support services. The Academy received a donation of £36,000 (2019 – £60,000) from LDBS in the year. There were no balances outstanding at 31 August 2020.

The member is also a director of Grow Education Partners Limited, with whom the Academy transacts. During the year, the Academy paid fees of £2,468 (2019 – £1,952) to Grow Education Partners Limited. There were no balances outstanding at 31 August 2020.

The academy trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with their financial regulations and procurement procedures.

20 Pension and similar obligations

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

20 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £928,000 (2019: £626,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £254,000 (2019 – £253,000), of which employer's contributions totalled £184,000 (2019 – £184,000) and employees' contributions totalled £70,000 (2019 – £69,000). The agreed contribution rates for future years unknown pending valuation information.

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

| Principal Actuarial Assumptions | At 31 August 2020 | At 31 August 2019 |
|--|-------------------------|-------------------------|
| Rate of increase in salaries | 3.2% | 2.9% |
| Rate of increase for pensions in payment / inflation | 2.2% | 2.3% |
| Discount rate for scheme liabilities | 1.7% | 1.8% |
| Inflation assumption (CPI) | 2.2%-2.3% | 2.3%-2.4% |

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

| | At 31 August 2020 | At 31 August 2019 |
|-----------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 21.5 | 20.9 |
| Females | 23.7 | 23.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.7 | 22.2 |
| Females | 25.3 | 24.5 |

Sensitivity analysis

The below analysis shows the monetary increase to the Employer Liability for the following changes in assumptions:

| | At 31 August 2020 £'000 | At 31 August 2019 £'000 |
|----------------------------|----------------------------------|----------------------------------|
| Discount rate -0.5% | 1,047 | 1,061 |
| Salary increase rate +0.5% | 88 | 178 |
| Pension rate +0.5% | 941 | 859 |

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

| | Fair value at 31 August 2020 £'000 | Fair value at 31 August 2019 £'000 |
|--|--|--|
| Equities | 4,302 | 4,121 |
| Bonds | 1,589 | 1,623 |
| Property | 596 | 375 |
| Cash | 132 | 125 |
| Total market value of assets | 6,619 | 6,244 |
| Present value of scheme liabilities | | |
| . Funded | (8,938) | (8,187) |
| Deficit in the scheme | (2,319) | (1,943) |

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

| Amounts recognised in statement of financial activities | 2020 £'000 | 2019 £'000 |
|---|-----------------------|-----------------------|
| Current service cost | 514 | 398 |
| Past service cost | - | 63 |
| Net interest cost | 38 | 22 |
| Total operating charge | 552 | 483 |
| Analysis of pension finance income (costs) | | |
| Expected return on pension scheme assets | 114 | 161 |
| Interest on pension liabilities | (152) | (183) |
| Pension finance costs | (38) | (22) |
| Changes in the present value of defined benefit obligations were as follows: | 2020 £'000 | 2019 £'000 |
| At 1 September 2019 | 8,187 | 6,339 |
| Current service cost | 514 | 398 |
| Past service cost | - | 63 |
| Interest cost | 152 | 183 |
| Employee contributions | 70 | 69 |
| Actuarial gain | 134 | 1,221 |
| Benefits paid | (119) | (86) |
| At 31 August 2020 | 8,938 | 8,187 |
| Changes in the fair value of the Academy's share of scheme assets: | 2020 £'000 | 2019 £'000 |
| At 1 September 2019 | 6,244 | 5,683 |
| Interest income | 114 | 161 |
| Actuarial gain | 126 | 233 |
| Employer contributions | 184 | 184 |
| Employee contributions | 70 | 69 |
| Benefits paid | (119) | (86) |
| At 31 August 2020 | 6,619 | 6,244 |

21 Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the Academy received £48,620 (2019 – £50,137) and disbursed £46,850 (2019 – £48,222) from the fund. An amount of £1,770 (2019 – £2,877) is included in creditors relating to undistributed funds that is repayable to the ESFA.