

**THE CAPITAL CITY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



**Company Registration Number: 04268208 (England and Wales)**

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## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Members</b>	Sir Frank Lowe	Sponsor
	Dame Theresa Sackler	Member
	Joel Cadbury	Member
	Sir Alan Parker CBE	Member (deceased 03/08/20)
	Brian Clarke	Member
	Wayne Eagling	Member
	Garth Crooks OBE	Member by virtue of role as Chair of Trustees
	Sohail Faruqi	Member
<b>Trustees</b>	Garth Crooks OBE 1, 2, 3	Sponsor appointee (Chair)
	Faira Ellks 2, 4	LEA representative (Vice-Chair) (resigned 30/04/20)
	Ayodele McDowell 1, 3, 4	Co-opted Trustee (Vice-Chair)
	Tangwena Nelson 1	Sponsor appointee
	Paul Cleal 1, 2	Sponsor appointee
	Nick Cowan 3	Parent Trustee (appointed 1/09/19)
	Lorna Valcin 3, 4	Sponsor appointee
	Darren Thomas 2	Sponsor appointee
	Marianne Jeanes 1, 2, 3, 4	Principal
	Kim Lee 2	Teaching Trustee (resigned 31/08/20)
	Anna Townsend 2	Sponsor appointee
	Emily Jones	Sponsor appointee (appointed 30/04/20)
	Wola Ayankoso 3	Staff Trustee
	Ash Shah 2	Teaching Trustee (appointed 1/09/20)
<b>Company Secretary</b>	Gregory George	
<b>Principal &amp; Senior Management Team</b>	Marianne Jeanes	Principal
	Ben Pittaway	Associate Principal
	Rhoda Flindall	Vice-principal (resigned 31/08/20)
	Natalia Ribas	Vice-principal (appointed 01/09/20)
	Claire Rowthorn	Vice-principal (appointed 01/09/20)
	David Lee	Consultant
	Gregory George	Senior Director
	Kareen White	Assistant-principal
	John Hamilton-Cox	Assistant-principal
	Leon Manandhar	Assistant-principal
	David Gacheru	Senior Director
	April Jones	Assistant-principal (appointed 01/09/20)
	Lamyaa Khammal	Assistant- principal (appointed 01/09/20)
<b>Principal &amp; Registered Office</b>	Capital City Academy Doyle Gardens Willesden, London NW10 3ST	

Company Registration Number 04268208

### Footnote:

1. Members of the Finance and Premises Committee
2. Members of the Curriculum & Standards Committee
3. Members of the Parents, Students & Community Committee
4. Members of the Remuneration Committee

## REFERENCE AND ADMINISTRATIVE DETAILS CONT.

Independent Auditor      UHY Hacker Young LLP  
                                    Quadrant House  
                                    4 Thomas More Square  
                                    E1W 1YW

Bankers                      Lloyds Bank Plc  
                                    39 Threadneedle Street  
                                    London  
                                    EC2R 8AU

Solicitors                  Blake Morgan  
                                    Seacourt Tower  
                                    West Way  
                                    Oxford OX2 0FB

Bird & Bird  
90 Fetter Lane  
London  
EC4A 1JP

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

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

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company'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 UK and Republic of Ireland published on September 2015 (FRS102).

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Brent. It has a pupil capacity of 1,200 and had a roll of 1,166 in the autumn census 2020.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee (no. 04268208) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents dated 8 November 2001.

Members of the trust are nominated by either the Secretary of State for Education, Sir Frank Lowe, sponsor of the Trust, or co-opted by the Trust itself. The Articles of Association require the members of the Trust to appoint at least three Trustees to be responsible for the affairs of the Trust and the management of the Trust.

The Trustees are the directors of the charitable company for the purposes of Company Law and Trustees for the purposes of charity legislation.

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

The charitable company is known as Capital City Academy.

The trustees of Capital City Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

The Members of the Trust for the purposes of the Companies Act 2006 are Sir Frank Lowe, Sponsor of the Trust, Dame Theresa Sackler, and Joel Cadbury, who are each nominees of Sir Frank Lowe. Garth Crooks OBE, Chair of Trustees is also a Member by virtue of his role. Wayne Eagling, Brian Clarke and Sohail Faruqi are co-opted Members.

Each member present in person or by proxy shall have one vote.

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

### **Trustees Indemnities**

In accordance with normal commercial practice the Trust 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 according to the DfE Risk Protection Arrangement (note 12).

### **Principal activities**

The Trust was set up on 10 August 2001 to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing one or more secondary schools offering a broad curriculum with a strong emphasis on sport.

### **Method of Recruitment and Appointment or Election of Trustees**

Trustees may be appointed by Sir Frank Lowe as the sponsor of the Trust, provided that one such Trustee must be a person with sufficient local knowledge of the area within which the Trust is located to represent the interests of the local community. The Trust has appointed one Trustee as representative of the interests of the local community. The Secretary of State and the Local Education Authority (the London Borough of Brent) may also appoint Trustees. The Principal of the Academy is required to be a Trustee and Trustees are also required to be elected by the parents of students attending the Academy, the teaching staff at the Academy and by staff at the Academy. The Trustees may themselves appoint up to three persons to act as additional Trustees. The number of Trustees shall not be less than four but shall not be subject to any maximum.

Sir Frank Lowe, the Secretary of State for Education and the Local Education Authority are entitled to remove Trustees appointed by them and to replace any person so removed with a new appointee at any time. Trustees elected by the parents of students attending the Academy, the teaching staff at the Academy and by the non-teaching staff at the Academy are required to resign if they cease to be eligible to hold the position to which he or she is elected as provided in the Trust's Articles of Association.

Trustees are appointed for a four year term save for the Principal who is entitled to be a Trustee for as long as he or she is the Principal. Trustees are eligible to be re-elected at the end of their term. There is no limit to the number of terms a Trustee may serve.

The Trustees who are in office at the date of the signing of this report and financial statements and who served throughout the year, except where shown, are listed on page 1.

During the year under review the governing body (board of Trustees) held three meetings and one extra-ordinary meeting due to the impact of the Covid-19 pandemic.

The Curriculum and Standards Committee met three times during the year and its terms of reference are to oversee the achievement of students and the quality of teaching, ensuring the Academy provides a high quality experience of learning and delivers a broad and balanced curriculum.

The Finance and Premises Committee met three times in the year. This Committee undertakes the Audit Committee role as well. Its terms of reference are to ensure sound strategic management and use of the Academy's finances and resources.

The Parent Students and Community Committee met twice during the year and its terms of reference are to ensure the student support, parental links and community engagement strategy

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

of the Academy is implemented and plans for these areas are managed and communicated to the governing body.

The Remuneration Committee reviews on an annual basis the performances of the Senior Leadership Team and decides on any performance-related pay award. The Remuneration Committee met two times during the year.

The Senior Leadership Team of the Academy is responsible for the day to day management of the school, for acting out the strategic decisions taken from the Board and sub-committees, ensuring an annual action plan is set out, monitored and carried out successfully.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

New Trustees are provided with support and training following their appointment, through bespoke in-house or as part of Local Government training offered. For existing Trustees, some courses carried out in the Academy Trust were attended by some Trustees as well as seminars on offer through the Local Government Governors Support framework to which the Academy is a subscriber or external providers. An in-house safeguarding training session was also attended by most Trustees.

### **Organisational Structure**

The management structure in place for the year consisted of a Principal, three Vice-Principals and a Senior Director (Finance). These four posts constituted the Academy's Senior Leadership Team. The second tier of management consisted of four Assistant Principals and four other associate leaders.

The aim of the management structure was to develop responsibility, increase accountability and encourage involvement in decision making at all levels. The Principal of the Academy is the Accounting Officer. The Leadership Team of the Academy is responsible for delivering the approved strategic actions of the medium-term plan by the Trustees while setting up and managing the annual action plan priorities. These are reviewed annually and updated where necessary at the start of the academic year in September.

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

The Remuneration Committee's purpose is to achieve the aims of the Academy's Pay Policy in a fair and equal manner, observing all statutory and contractual obligations, ensuring that the Trust's budget is well used to support the employment of suitably qualified and experienced staff.

Membership comprises at least three trustees, none of whom are employed by the Trust. The committee meets annually to review teaching staff salaries in line with the Trust's Staff Pay Policy.

Performance of the Principal includes meeting with an external advisor before the committee makes a decision on progression of pay to the next pay point.

### **Trade union facility time**

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the trade union (Facility Time Publication Requirements) Regulations 2017. The Academy recognises the valuable support and advice trade unions provide to teaching and non-teaching staff.

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

Employees are where necessary, referred to their union representatives to ensure they take appropriate advice in relation to employment matters. The Academy provides access to its meeting facilities to enable trade unions to hold meetings that take place outside of the school day. The Academy had one union representative during the course of the year with no relevant costs to the school.

### **Related parties and other connected charities and organisations**

Sir Frank Lowe has been the Trust's Sponsor since its inception in 2001. He was responsible for setting up the Academy Trust. His role currently includes overseeing the performance and finances of the Trust, which he does through selecting and working effectively with the governing body, to provide support and guidance to the Senior Leadership Team, as well as developing links with the wider community.

The Trust is grateful for his ongoing commitment which included supporting the Academy in sourcing additional income to achieve a balanced budget for the forthcoming year.

### **Risk Management**

The Trustees confirm that the major risks to which the Trust is exposed have been reviewed and are confident that all key assessed risks are appropriately and properly mitigated and anticipated. The risk management plan remains an item on the agenda for regular review by the committees' meetings scheduled throughout the year. The Director of Finance and Resources has undertaken a full review of risks and reported on significant changes on the register at the first governing body meeting held in September 2019.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The Trust was set up on 10 August 2001 to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing one or more secondary schools offering a broad curriculum with a strong emphasis on sport and the arts. In particular, this Trust is supporting the establishment and operation of the Capital City Academy, a secondary school in Willesden, North London, open from September 2003, which offers a broad curriculum with a strong emphasis on sport and the arts.

In accordance with the Articles of Association the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Children, Schools and Families (now DfE). The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, and that the curriculum should comply with the intent of the national curriculum with an emphasis on sport and the arts.

### **Objectives, Strategies and Activities**

The Trust's main strategy for the Academy is encompassed in its vision which is that:

*Capital City Academy will provide an exceptional environment to promote a passion for learning and discovery. We recognise everyone as an individual and our rich community is united in its determination to enable all learners to succeed. At the heart of our achievements will be educating the whole person, developing an honest, informed and caring global citizen.*



## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

The strategic action plan for 2020-21 is derived from a consideration of the key areas to improve from the Self Evaluation document, the KPI review and the evaluation of the action plan from 2019-20. Feedback from Ofsted in January 2019, where the Academy was rated Good has also been taken into account. Therefore, the specific Academy priorities for 2020-21 are:

### **Quality of Education:**

1. Improve quality of teaching to secure better student progress
2. Address areas of underperformance to improve progress and attainment

### **Behaviour and Attitudes:**

3. Develop self-motivated and self-disciplined students who take ownership of their learning.
4. Improve overall attendance and punctuality

### **Personal Development:**

5. Develop character, prepare students for their future and raise the aspirations of all.

### **Leadership and Management:**

6. Support the well-being of all within our school community whilst managing change
7. Relaunch our Capital Vision
8. Make Capital City Academy the first choice for the local community

The Academy's Board of Trustees (hereafter referred to as the Full Governing Board) monitors performance using both the action plan updates and the KPIs which are updated to identify areas where performance targets are in danger of being missed. Slippage against the agreed action plan and any conflicting priorities are discussed and explained with minuted actions to address any weaknesses. Every term progress against the overall development plan for the coming year is presented to the Full Governing Body. The Trust receives reports from the Governing Body on the Academy's performance. The Governing Body acts as a critical friend and holds to account the leadership team of the Academy. Following a successful inspection in January 2019 the Governing Body retained its 3 committees (Finance and Premises, Curriculum and Standards and Parents, Students and Community) reporting to the Full Governing Body. A self-evaluation statement is agreed by the Governing Body and training provided for Trustees.

### **Public Benefit**

The Trust considers the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the Trust is the provision of a high quality of education to its students.

2017	2018	2019	2020	Transitions		Target s
196	196	177	192	Number on role Year 7 (October Census)	192	180
113	123	114	163	Number on role Year 12 (October Census)	163	130
435	473	399	379	Applications Year 7 (by 31/10)	379	400
142	142	147	157	Offers Year 12 (31/03)	157	140

The student population of the Academy is still significantly mobile, reflecting the high degree of instability in the local population. Vacant places are filled by those on the waiting list and/or students from families (mainly from overseas) newly arrived in the area, which have priority under the Local Authority's Fair Access protocol. Students at the Academy join the school with prior attainment well below national and local averages for expectations of children aged 11 years. It is the Academy's aim to narrow this gap. The Academy also recognises this gap is greater for those in receipt of the disadvantaged premium and the Academy has very high numbers of students in this category (over 50%).

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

### **Achievement and Performance**

The Academy assesses the impact of its provision (and public benefit) by tracking and reporting key measures and other aspects:

1. Ofsted Inspection judgements;
2. Attendance;
3. Examination outcomes and destinations;
4. Opportunities for the wider development of students into good citizens; and
5. Support for the community.

#### Other External Judgements

The Academy has been awarded the Artsmark Gold (assessed October 2019), School Games Mark (Platinum) 2020 and an AfPE Distinction mark (assessed November 2016). These reflect the excellent work the Academy is doing in promoting Sports and the Arts within the student body and the wider community and the Academy's commitment to its people.

#### **1. Attendance**

The Academy has made significant progress in raising levels of attendance over the last few years. Absence was below target at 4.5% in 2019 (target 4.9%) which was excellent but the Covid-19 pandemic meant that the measured absence figure for 2019-20 was 5.2%.

#### **2. Examination Outcomes and Destinations**

This year has been a very different year in preparing for results due to the closure of schools and the global Coronavirus pandemic. With ever changing government guidance and policies, we have all worked hard to ensure that the results awarded to our students are both representative of their abilities and the outcomes they would have achieved, as well as providing them with the opportunities they deserve. While there are no official headline figures for this year's outcomes below is a summary, both of some of the successes of our students, as well as across the school. The government U-turn to allow Centre Assessed Grades (CAGs) caused a small number of A-level grades to go back up (17%) and the adaptations to vocational results restored some but not all vocational CAGs. GCSE results were awarded as CAGs.

#### **Overall Highlights:**

- Proportion of students achieving A\*-B at A level is excellent
- A Level Alps 3, placing us in the top 25% of providers nationally
- Over 90% of grades on applied general courses at Distinction\* or Distinction
- Vocational Alps 2, placing us in the top 10% of providers nationally
- Progress made by students (based on last year's metrics) is outstanding.
- A number of students achieved excellent results across all subjects
- The vast majority (88%) of students have met the entry requirements and therefore have received an offer for Capital 6
- The proportion of grades at 4 or better (or equivalent) is 63.7%, higher than both the last two years, and this has allowed our students many opportunities and choices for their next steps.
- Proportion of students achieving 4+ in English and Maths is much improved from last year.

#### **A) Level 3 (Post-16)**

We celebrate some outstanding individual performances in both the academic and applied general courses leading to students securing excellent university places or career opportunities. A significant number of students have chosen to study NHS related courses, and we have also

**CAPITAL CITY ACADEMY TRUST**  
**TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

had 9 students securing a place at the 'Russell Group' of universities and over two thirds of the cohort secured a place at their first choice university.

Top achievement grades and destinations:

- A\*,A,A - Maths, Further Maths, Physics - UCL (Engineering)
- A,A,A,A,C - Maths, Further Maths, German, Portuguese, Physics - King's (Computer Science)
- A,A,A - English Lang/Lit, German, History - QMUL (Law)
- A,A,B - English Lang/Lit, Philosophy & Ethics, Psychology - Royal Holloway - (Law)
- A,A,B - Maths, Chemistry, Physics - Imperial - (Materials Science and Engineering)
- A,B,B - Maths, Further Maths, German - Loughborough (Computer Systems)
- A,B,B - Philosophy & Ethics, English Lang/Lit, Psychology - Royal Holloway (Law)
- D\*,D,D - BTEC Business - QMUL - (Marketing)
- D\*,D,D - BTEC Business - Westminster - (Business Management)
- D\*,D,D - BTEC Health and Social Care - King's (Nursing)
- D\*,D,D - BTEC Health and Social Care - London South Bank (Adult Nursing)
- B,B, Distinction - Media, Geography, BTEC Business - Reading (Marketing)
- A\*, DMM Arabic, BTEC Health and Social Care - Reading (Pharmacy) new entrant in Y8 from Syria
- D,D,D BTEC Health and Social Care - King's (Nursing)
- D,D,D BTEC Health and Social Care - King's (Nursing)

Commentary:

- With a very different year for A Level and the challenges we have faced this year results must be considered within that context. We should be pleased with the way in which our students have faced these difficulties and celebrate their successes and achievements regardless. While there are no official headline results for 2020 we feel it is important to celebrate the excellent outcomes for our students and recognise the hard work that teachers and the C6 team have put in to achieve these.
- Overall the proportion of grades at A\*-B at Capital is outstanding at 53%, and much higher than previous years; this should be celebrated. Only a small proportion of grades were reduced in the statistical modelling for our students which demonstrates the integrity of our assessments, and we are pleased that all CAG have now been awarded. 79% of grades were A\*-C which is a pleasing increase on last year (69%) and 24% of grades were A or A\* (compared to 10% last year). While students did not have the opportunity to demonstrate these achievements in their exams, we are confident that these grades are deserved. The ALPS scores give an indication of value added and shows improvement from previous years and now places us in the top 25% of schools although ALPS does not use the current year national data which we are aware shows inflation compared to previous years. However this uses the same metrics as last year and therefore shows good improvement for the academic pathway. Performance of disadvantaged students is also a grade 3 which is very pleasing.
- There remains variation in progress and attainment across subjects. We would like to particularly highlight the excellent achievements in the following subjects:  
50% or above A\*-B - English Literature, English Lang & Lit, Further Maths, Maths, Geography, Religious Studies, Art, Psychology and History  
ALPS 4 or above - Biology (3), English Lang & Lit (2), English Literature (2), Geography (1), German (2), History (3), Further Maths (3), Maths (4), Religious Studies (2), Psychology (2).
- Following revised grades for BTEC overall attainment and progress for the applied general pathway is outstanding.
- 90.4% of grades were Distinction \*-Distinction, above that of any previous years.
- Overall ALPS grade of 2, which matches last year and places us in the top 10% of providers.

**CAPITAL CITY ACADEMY TRUST  
TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

- Outcomes for Business have improved significantly and are now excellent with nearly 90% of grades at D\*-D and an ALPS grade 1 (for the extended diploma).
- Health and Social Care again achieved excellent results with 93% of grades at D\*-D, with an ALPS grade 2.
- Outcomes for Sport have improved considerably compared to last year with 69% of grades at D\*-D, and an ALPS grade of 2 (for the extended diploma). This is due to the hard work of both students and staff and we should all be very proud of these outcomes and the opportunities they provide our students.

**B) Level 2 (GCSE)**

The results are very positive and whilst it is challenging to effectively utilise the analysis of these grades based on Centre Assessed Grades, it is still important that we acknowledge the successes of our students and the opportunities these outcomes provide. It is also vital to identify areas where we can improve moving forwards. With the vast majority of our year 11 students (88%) offered a place at Capital 6 we can appreciate their hard work throughout their GCSE years leading up to these results, and celebrate their achievements. We celebrate some fantastic performances from our year 11 cohort 2020. Top performing students include:

Student 1	9,9,9,9,9,9,9,8,8
Student 2	9,9,9,9,9,9,8,8,8,7,D*
Student 3	9,9,9,9,9,9,8,8,8,7,6
Student 4	9,9,9,8,8,7,7,5,5,5
Student 5	9,9,8,8,8,8,7,7,7,6
Student 6	9,9,7,7,7,7,7,6,6
Student 7	9,8,8,7,7,6,6,6,6,6
Student 8	9,8,8,8,8,7,7,6,5,D*
Student 9	9,7,7,7,7,6,6,5,5,4
Student 10	9,8,8,7,7,7,7,7,6,6,D*
Student 11	9,8,7,7,7,6,6,6,5,M
Student 12	9,8,7,7,7,7,7,6,6,M
Student 13	8,8,8,8,7,7,7,7,6,5,M
Student 14	8,8,8,7,7,7,7,7,6,6
Student 15	8,8,7,7,7,7,6,6,6,6,D
Student 16	8,8,7,7,7,7,7,6,6,5
Student 17	8,7,7,7,6,6,6,6,5,D*
Student 18	8,7,7,7,6,6,6,5,5,3

**Commentary:**

- 59% of our students have been awarded a grade 4 or above in both maths and English and 51% of disadvantaged students; these are much improved on last year and in line with 2018, our highest results.
- The proportion of grades at 4 or better (or equivalent) is 63.7%, higher than both the last two years, and this has allowed our students many opportunities and choices for their next steps.
- The proportion of students achieving 7+ is 13.2%, just above last year. We must continue to work with our more able students to ensure their work throughout their GCSEs represents the highest quality and so more of these top grades can be achieved in future years.
- The proportion of students achieving the English Baccalaureate at a standard pass has increased since last year with achievement raised in science, and considerable improvement in Geography with History returning to achievement in line with 2018. All three modern foreign languages showed good performance.

**CAPITAL CITY ACADEMY TRUST  
TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

- A number of subjects achieved over 65% of students achieving a standard pass (Grade 4 or equivalent or above): English Language, English Literature, Maths, Biology, French, Spanish, Computer Science, Art, Graphics, Textiles, Photography, RE, Media, Health & Social Care, Hospitality and Catering and Sports.

**3. Wider Opportunities**

Key to the Academy's vision is providing an education for the whole individual, providing exceptional opportunities for personal as well as academic success. In this, the Academy seeks to provide for the cultural, physical, spiritual as well as academic development of students. This has remained true throughout lockdown with extra-curricular, PSHE, sports, arts and enrichment activities online for students as well as academic lessons via the Capital Online Learning site. The student leadership offer at the Academy is very strong. This supports personal development and future citizenship well and thus meets the wider needs of our very diverse community.

The academy contracted a new independent careers advice service since 2016/17, Education Development Trust. They have been providing students aged 14 and above (including university entrance advice) careers counselling. Those students on the SEN/D register and disadvantaged students are prioritised.

**4. Other Achievements demonstrating tangible public benefit**

Use of the Academy's facilities by the Community

The site is used heavily as a resource by the local community. Community groups ranging from supplementary schools, churches, sports and arts make use of the facilities at the weekends. The Academy's lettings policy provides heavily discounted rates for community groups and it is proud of the extent to which the community uses its facilities. The third generation football pitch is in particular demand.

A community partnership with primary schools provided via the Sports Specialism, managed by the Director for Specialisms, is identified as one of the strongest in the country. Ofsted praised the school's partnership work to support its students. Over the last three years the Academy has delivered a sports apprenticeship programme accredited by Stevenage College. Students on the programme are placed in other (mainly local) schools. This programme won an award from the Hertfordshire Business Partnership.

Capital is also part of the HISS and Brent Heads groups and through these we have been providing support to our local primary and secondary schools. The primary support has included Humanities and Maths training for primary teachers, Arts, Humanities and Science workshops for primary students and use of our facilities.

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

### **Going Concern**

Despite the impact of Covid-19, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue to meet its operational obligations for the foreseeable future. The capacity and ability to fund the capital expenditure programme will improve as savings are realised on facilities management. The board continues to monitor expenditure closely and has adopted the going concern basis in preparing these accounts.

96% of the Academy's funding is provided by the Department for Education (DfE). The government has announced the release of a Covid 19 catch up premium for the sector to catch up on the backlog in teaching time over the past year. The Senior Leadership team, led by the Senior Director (Finance), continues to review all areas of expenditure for each budget cycle. An ESFA appointed Schools Resource Management Advisor (SRMA) visited last year and a number of recommendations have been implemented including integrated curriculum financial planning (ICFP).

The Trustees are pleased that an operating surplus before depreciation and FRS102 Pension charges of £209k (2019: £289k) was achieved. The cash balance was improved to £406k (2019: £322k). They have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **FINANCIAL REVIEW**

#### **Financial and Risk Management Objectives and Policies**

Most of the Trust's income is obtained from the DfE in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during 2019/2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Grants and donations have also been given to the Trust to provide fixed assets. In accordance with the Charities SORP 2019, grants and donations received for specific capital purposes are shown in the Statement of Financial Activities (SOFA) as Restricted Fixed Asset funds.

Expenditure for the year was largely covered by grants from the DfE and other income, such as voluntary income, activities for generating funds and investment income, and the deficit of expenditure over income for the year was £858k (2019: deficit £1,690k). Expenditure on charitable activities was £9.4m (2019 - £9.3m) of which £11k (2019 - (£15k) was unrestricted, £741k (2019 - £737k) was restricted fixed asset funds and £8.65m (2019 - £8.59m) was restricted general funds. The operating result before actuarial losses on defined benefit pension schemes was a deficit of £696k (2019: deficit £523k).

The combined General Restricted fund, Restricted Other Funds and Unrestricted fund show an operating deficit before the actuarial losses on defined benefit pension schemes of £696k (2019: £523k deficit). This increased operating deficit is the result of an increase in indirect staff expenditure, including the FRS 102 pension costs less contributions payable and the pension net interest costs during the year.

At 31 August 2020 the net book value of fixed assets was £23.05m (2019: £23.68m) and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets are used primarily for providing the Trust's educational operations and associated support services to the pupils of the Trust.

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

The Trust held fund balances at 31 August 2020 of £19.93m (2019: £20.78m) comprising £19.8m (2019: £20.70m) of restricted funds and £77k (2019: £40k) of unrestricted funds.

The Trust endeavours to pay its suppliers in accordance with their general terms and conditions of sales despite recent cash flow limitations. At 31 August 2020, the Trust had over the year an average of 50 days equivalent of creditors unpaid (2019: 48 days) which may have worsened due to the impact of obtaining authorisation while working from home during the Covid-19 lockdown period.

The Trust has a number of restricted funds. The purpose of these funds is set out in Note 19.

### **Reserves Policy**

The Trust's reserves have increased this year. The adequate range of combined Restricted General Funds and Unrestricted Funds reserves has in the past been between £400k and £500k. However, the Trust's reserves at 31 August 2020 were £276k (2019: £288k) which is below the expected threshold.

The Trust's main purpose is to provide a successful secondary education and a specialist education in sport and arts. This level of reserves has been judged to be appropriate to ensure existing operations are maintained in the short to medium term. The Trust recognises the need to rebuild its reserves and has introduced operational efficiencies in its finance and facilities functions over the past year, as well as introducing integrated curriculum financial planning for its timetable this year. It outsourced its facilities lettings management last year as part of a wider strategy to generate additional income.

The Trust's pension reserve has deteriorated in 2019/20 and is reporting a deficit of £3,258k (2019: deficit of £2,932k) at 31 August 2020.

Tangible fixed assets are all held for use by Capital City Academy hence are not included in the reserves policy.

The Academy's cash as at 31 August 2020 is £406k (2019: £322k). The Academy's cash reserves have remained stable in difficult operating circumstances this year. Budget planning and forecasting has continued to take account of reductions in funding for the next year.

Under the Charity Commission definition of free reserves Unrestricted funds and Restricted General annual grant funds less those funds held as tangible fixed assets, the Academy has no reserves as at 31 August 2020. However operating funds are provided by restricted general funds, which amounted to £304k at 31 August 2020 (2019: £322k).

### **Investment Policy**

The Trust places cash reserves on short term cash deposits, which generate interest income.

### **Principal Risks and Uncertainties**

As with all organisations, the Trustees are monitoring the impact and uncertainty of the covid-19 pandemic and its impact on the delivery of teaching and learning. As the UK leaves the EU at the end of the year, additional uncertainty exists. These risks are being managed through the existing management and governance structures.

Funding remains a concern in the light of the strain on government budgets, although there has

## **CAPITAL CITY ACADEMY TRUST TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

been no immediate impact on funding for the next year. Funding for the 2020/21 financial year is stable and includes the Covid catch up premium to address the challenges raised by the protracted school closure over the summer. The Trust has continued to regularly review its academic provision alongside its budgets and forecasts and adopted Integrated Curriculum Financial Planning (ICFP) in the past year.

The Board of Trustees maintains strategic oversight of the Academy's risks. Each risk, outlined within the Academy's risk management plan, has been delegated to the Board or one of its committees and these are considered at every meeting. A member of the Capital Leadership Team (CLT) will update the Trust on the action plan progress, any changes to the likelihood or potential impact of related risks, as well as any actions taken by the Academy to further mitigate this and then invite questions and challenge from the trustees.

Apart from the risks associated with the Covid-19 pandemic and the detailed risk assessments which were undertaken to ensure a safe return of students at the start of the new academic year, the Risk Register identifies the following core risks escalated to the Board of Trustees and considered as part of the above process.

- Student enrolment (Year 7 and the 6th Form) falls below viable levels resulting in inadequate funding for the Academy (Full Board of Trustees)
- Student attainment and progress fails to catch up after the covid-19 school closure and improve year-on-year and does not meet targets set by the CLT (Curriculum & Standards)
- The Academy's capital replacement programme does not have sufficient funding to finance the replacement of old equipment and / or building infrastructure upgrades. (Finance & Premises).

There is a rolling programme for replenishment of existing assets when they reach the end of their useful lives. This programme will be strengthened financially in the forthcoming year as a result of bringing the Academy's facilities management in house with effect from March 2020.

The Trust remains dependent on the provision of additional fixed asset grants from both the DfE and commercial sponsors to achieve the development plan objectives and other capital projects.

### **FUNDRAISING**

The governing body is responsible for ensuring that the academy operates within a responsible, sustainable financial framework and that it has adequate resources to carry out its objectives. It engaged the services of a Business Development Manager tasked with sourcing additional revenue for the academy from January 2019 to August 2020.

The Trustees are committed to ensuring that any fundraising activities that may be undertaken are carried out in an ethical manner, the guiding principle being that they will use practices that they would be satisfied to be subjected to themselves. The Trustees will adhere to the fundraising standards as outlined in the Charities Commission publication "Charity Fundraising CC20". The Academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Opportunities for fundraising have been limited due to the impact of covid-19 and the resulting pressure on business capacity for philanthropy as a whole.



**CAPITAL CITY ACADEMY TRUST  
TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

**PLANS FOR FUTURE PERIODS**

The academy's vision will be reviewed in 2020/21, notwithstanding the ongoing aim to become an 'outstanding' academy by both our own criteria and those of Ofsted.

The Trust should be one that encourages links with other schools and a university. It should aspire to become an academy that expands its horizons and has a positive impact on the local community. Membership should reflect the sponsors' vision and ensure that this is reflected in the Academy's work. A corporate educational presence (University / TeachFirst) will support the Trust Board in effectively holding the board of Trustees to account.

The Trust should support students and the school with additional resources and opportunities and assist the board of Trustees/ Academy's leadership team in brokering support and advice.

The Trust will play its part in actively promoting and raising the profile of the Academy to the local and national community (educational and otherwise).

The governing body will have a full and active membership with a variety of skill sets. They know the school well and have training to keep them abreast of current educational policy. On the basis of a clear understanding of the Academy's strengths and weaknesses they will hold the Academy's leadership to account and allow them to manage the school effectively.

The Academy's leadership seeks to articulate the vision clearly. They are envisioning the future and planning for it through considered strategies and action. In developing strategy and direction leaders will consider value for money and ensure that they are doing the right things to make a difference.

The leadership of Capital 6, the Academy's sixth form, articulates an identifiable and distinct ethos (with a clear group of subjects) providing a pathway for every year 11 that wants a place.

Priorities to achieve our aim in 2020/21

Quality of Education:

1. Improve the quality of teaching to secure better student progress
2. Address areas of underperformance to improve progress and attainment

Behaviour and Attitudes:

3. Develop self-motivated and self-disciplined students who take ownership of their learning.
4. Improve overall attendance and punctuality

Personal Development:

5. Develop character, prepare students for their future and raise the aspirations of all.

Leadership and Management:

6. Support the well-being of all within our school community whilst managing change
7. Relaunch our Capital Vision
8. Make Capital City Academy the first choice for the local community

Our action plan for the forthcoming year details how we intend to meet these priorities.

The Trust also remains aware of wider economic issues, including the national debt to anticipate some of the impact on its incoming resources and the pressure on those resources.

**CAPITAL CITY ACADEMY TRUST  
TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

**Equal opportunities**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Disabled persons**

Lifts, ramps, disabled toilets and enlarged door widths have been installed to enable wheelchair access to all the main areas of the Academy. The policy of the Trust is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the Trust, as well as generally through training and career development. The Trust is also set up to receive disabled children and adapted equipment is in place for that purpose. Assessment of the available resources is done on a case by case basis.

**Glossary of terms**

P8 – Progress across 8 subjects  
EM – English and Maths  
BCRB – Black Caribbean  
SEN/D – Special Educational Needs and Disability  
BSOM – Black African Somali  
WBRI – White British  
EAL - English as an Additional Language  
PP – Pupil Premium  
EBacc - English Baccalaureate  
KS2/4/5 – Key Stage 2/ 4/ 5  
ALPS – A-level Performance System  
L3VA – Level 3 value Added  
ICFP - Integrated Curriculum Financial Planning  
CLT - Capital Leadership Team (aka Senior Leadership Team)

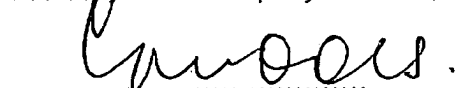
**AUDITOR**

In so far as the Trustees are aware:

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

The auditor, UHY Hacker Young LLP, was appointed to office in June 2017. A resolution to reappoint them will be proposed at the annual general meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on 10th December 2020 and signed on its behalf by:



.....  
Garth Crooks OBE  
**Chair of the Trustees**

**CAPITAL CITY ACADEMY TRUST**  
**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to 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 Capital City Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustee's responsibilities.

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

<b>Members</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Sir Frank Lowe (Sponsor)	1	1
Joel Cadbury	1	1
Sir Alan Parker CBE	0	1
Dame Theresa Sackler	1	1
Garth Crooks OBE (Chair)	1	1
Brian Clarke	0	1
Wayne Eagling	1	1
Sohail Faruqi	0	1
 <b>Trustees</b>		
Garth Crooks OBE (Chair)	4	4
Faira Ellks (LG appointee)	2	2
Tangwena Nelson	4	4
Lorna Valcin	2	4
Ayodele McDowell	4	4
Darren Thomas	4	4
Paul Cleal	3	4
Anna Townsend	4	4
Emily Jones	2	2
Marianne Jeanes (Principal)	4	4
Kim Lee (Staff Trustee)	3	4
Wola Ayankoso (Staff Trustee)	3	4

**CAPITAL CITY ACADEMY TRUST**  
**GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

The information on governance included above supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met four times during the year, two of the meetings were conducted remotely due to the lockdown restrictions. Although the board did not meet for the recommended six times in the year, financial oversight and governance was maintained with monthly financial reporting to members of the Finance and Premises Committee. The Trust met once during the year.

The board of Trustees has a 'traditional' committee structure. The Curriculum & Standards Committee is a sub-committee of the main board of Trustees and it met three times during the year. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Faira Ellks (Chairman)	2	3
Garth Crooks OBE	3	3
Kim Lee	3	3
Darren Thomas	2	3
Paul Cleal	2	3
Anna Townsend	3	3

The Finance and Premises Committee is a sub-committee of the main board of Trustees. This sub-committee met three times in the year and attendance in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Garth Crooks OBE	3	3
Tangwena Nelson (Chairman)	2	3
Ayodele McDowell	2	3
Paul Cleal	3	3
Marianne Jeanes (Principal)	3	3

The Remuneration Committee is a sub-committee of the main board of Trustees. It reviews the performance of the senior management team and decides on any performance-related pay awards annually. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ayodele McDowell (Chairman)	1	1
Faira Ellks (LG appointee)	1	1
Lorna Valcin	1	1

**CAPITAL CITY ACADEMY TRUST  
GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

The Parent Student Community Committee is a sub-committee of the main board of Trustees. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ayodele McDowell (Chairman)	2	2
Garth Crooks OBE	2	2
Wola Ayankoso	2	2
Lorna Valcin	2	2
Nick Cowan	2	2
Ben Pittway (Vice-Principal)	2	2

**Review of value for money**

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

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

The accounting officer has delivered improved value for money during the year by:

- Implementing ICFP by reviewing the curriculum, options and the staffing requirements in the year.
- Reviewing performance of the Total Facilities Management solution for the Academy's facilities and agreeing to end the contract and bring the service in house from March 2020.
- Re-tendering the cleaning contract with effect from December 2019.
- Monitoring performance of the outsourced catering function (from January 2018).
- Implementing a number of efficiency recommendations made by the School Resource Management Advisor (SRMA) who visited in the previous year.
- Reviewing all supplier contracts, contract management processes and subscription services based on value for money.

**The purpose of the system of internal control**

The system of internal control is designated 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 Trust'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 in Capital City Academy for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

## **CAPITAL CITY ACADEMY TRUST GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

### **Governance Review**

The Board adopted its Governance Protocol which formalises the workings of the Trust, board of Trustees and its committees, as well as outlining processes for approving policies, electing a Chair and Vice Chair and dealing with non-attendance. Each Trustee has been issued with guidance which includes core governance material vital to their role on the Board. The material will be used to induct new Trustees to the Board. The board of Trustees has dealt with strategic items such as the vision statement for the Academy and implementation of the school development plan.

A self-assessment of governance was conducted during the year and the outcomes will be discussed at a future board of Trustees meeting to establish areas for ongoing development.

### **The Risk and Control framework**

The Academy Trust's system of internal 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 Finance and Premises Committee;
- regular reviews by the Finance 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.

The Academy's principal financial risks are:

- a reduction in pupil numbers and the rates paid per commissioned place;
- a reduction in planned places and the amount paid by the EFSA per planned place;
- unbudgeted increase in teaching or support staff costs;
- the Trust is particularly open to risk surrounding staffing and income.

Staffing, like other schools, accounts for the use of the majority of incoming financial resources. The Trust is particularly vulnerable to external pressures, such as pressures presented by external bodies, i.e. School Teachers' Review Body (and the various interpretations of their recommendations), who may recommend increases in pay despite there being no increase in funding, failure to follow through on such recommendations (or interpretations of these recommendations) may result in exposure to other risks associated with staffing.

**CAPITAL CITY ACADEMY TRUST**  
**GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020**

The board of Trustees has considered the need for a specific internal audit function and took the decision to establish a reciprocal peer internal scrutiny arrangement with Kingsbury High School from 1 September 2019. The peer review process acts as an internal auditor to provide opinions on financial matters and perform a range of checks on the Academy's financial systems. Every six months, a report from the internal scrutineer is presented to the Finance and Premises Committee on the operation of control and on the discharge of the board of Trustees' financial responsibilities.

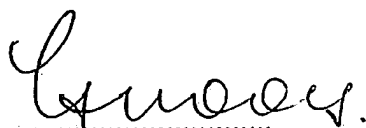
**Review of Effectiveness**

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:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Director (Finance) and its team within Capital City Academy who have the responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. No material weaknesses have been found.

Approved by order of the Board of Trustees on 10 December 2020 and signed on its behalf by:



Garth Crooks OBE  
Chairman of the Trustees



Marianne Jeanes  
Accounting Officer

**CAPITAL CITY ACADEMY TRUST  
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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



Marianne Jeanes  
**Accounting Officer**

10 December 2020



**CAPITAL CITY ACADEMY TRUST  
STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees (who also act as governors for Capital City Academy Trust and are also directors of Capital City Academy Trust for the purposes of company law), are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the Trustees are required to:

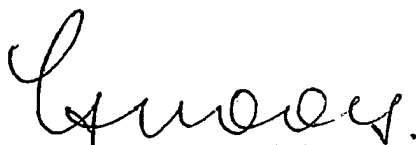
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on its behalf by:



Garth Crooks OBE  
Chairman of the Trustees



Marianne Jeanes  
Accounting Officer

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL CITY ACADEMY TRUST**

## **Opinion**

We have audited the accounts of Capital City Academy Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 to which the ISAs (UK) require us to report to you where:

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

## **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL CITY ACADEMY TRUST (CONTINUED)**

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our audit:

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

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

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL CITY ACADEMY TRUST (CONTINUED)**

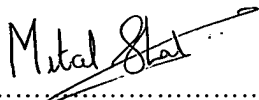
### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of this 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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**Mital Shah (Senior Statutory Auditor)**  
for and behalf of UHY Hacker Young LLP

Chartered Accountants  
Statutory Auditor

Date: 5 January 2021

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CAPITAL CITY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 06 October 2020 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 Capital City Academy Trust during the period 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 Capital City Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Capital City Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Capital City Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Capital City Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Capital City Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
CAPITAL CITY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY  
(CONTINUED)**

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the School's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

**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 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.

UHY Hacker Young

UHY Hacker Young LLP  
Chartered Accountants  
Reporting Accountant

Dated: 5 January 2021

**CAPITAL CITY ACADEMY TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE**  
**ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted Funds	Restricted General Funds	Restricted Other Funds	Restricted Fixed Asset Funds	Total 2020	Total 2019
		£000	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>							
Donations and capital grants	4	5	12	-	24	41	135
Charitable activities:							
Funding for the Academy Trust's educational operations	5	-	8,570	17	-	8,587	8,559
Other trading activities	6	77	-	-	-	77	121
Investments	7	2	-	-	-	2	3
<b>Total</b>		<b>84</b>	<b>8,582</b>	<b>17</b>	<b>24</b>	<b>8,707</b>	<b>8,818</b>
<b>Expenditure on:</b>							
Raising Funds	8	-	-	-	-	-	-
Charitable activities:							
Academy Trust educational operations	9	10	8,632	20	741	9,403	9,341
<b>Total</b>	<b>8</b>	<b>10</b>	<b>8,632</b>	<b>20</b>	<b>741</b>	<b>9,403</b>	<b>9,341</b>
<b>Net expenditure</b>		<b>74</b>	<b>(50)</b>	<b>(3)</b>	<b>(717)</b>	<b>(696)</b>	<b>(523)</b>
<b>Transfers between funds</b>		<b>(38)</b>	<b>(99)</b>	<b>(30)</b>	<b>167</b>	<b>-</b>	<b>-</b>
Other recognised (losses):							
Actuarial (losses) on defined benefit pension schemes	21	-	(162)	-	-	(162)	(1,167)
<b>Net movement in funds</b>		<b>36</b>	<b>(311)</b>	<b>(33)</b>	<b>(550)</b>	<b>(858)</b>	<b>(1,690)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		40	(2,660)	50	23,353	20,783	22,473
<b>Total funds carried forward</b>		<b>76</b>	<b>(2,971)</b>	<b>17</b>	<b>22,803</b>	<b>19,925</b>	<b>20,783</b>

**CAPITAL CITY ACADEMY TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND**  
**EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020**

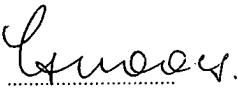
Comparative year information Year ended 31 August 2019	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Other Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	4	-	48	-	87	135
Charitable activities:						
Funding for the Academy Trust's educational operations	5	1	8,461	81	16	8,559
Other trading activities	6	121	-	-	-	121
Investments	7	3	-	-	-	3
<b>Total</b>		<b>125</b>	<b>8,509</b>	<b>81</b>	<b>103</b>	<b>8,818</b>
<b>Expenditure on:</b>						
Raising Funds	8	-	-	-	-	-
Charitable activities:						
Academy Trust educational operations	9	15	8,515	74	737	9,341
<b>Total</b>	8	<b>15</b>	<b>8,515</b>	<b>74</b>	<b>737</b>	<b>9,341</b>
<b>Net income / (expenditure)</b>		<b>110</b>	<b>(6)</b>	<b>7</b>	<b>(634)</b>	<b>(523)</b>
<b>Transfers between funds</b>		<b>(139)</b>	<b>-</b>	<b>(3)</b>	<b>142</b>	<b>-</b>
Other recognised (losses):						
Actuarial gains/ (losses) on defined benefit pension schemes	21	-	(1,167)	-	-	(1,167)
<b>Net movement in funds</b>		<b>(29)</b>	<b>(1,173)</b>	<b>4</b>	<b>(492)</b>	<b>(1,690)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		69	(1,487)	46	23,845	22,473
<b>Total funds carried forward as restated</b>		<b>40</b>	<b>(2,660)</b>	<b>50</b>	<b>23,353</b>	<b>20,783</b>



**CAPITAL CITY ACADEMY TRUST**  
**BALANCE SHEET AS AT 31 AUGUST 2020**

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Tangible assets	13		23,049		23,679
<b>Current assets</b>					
Stock	15	-		-	
Debtors	16	360		324	
Cash at bank and in hand		406		322	
		<u>766</u>		<u>646</u>	
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	17	(632)		(610)	
			134		36
<b>Net current assets</b>					
<b>Total assets less current liabilities</b>			23,183		23,715
Defined benefit pension scheme liability	21	(3,258)		(2,932)	
<b>Total net assets</b>			<u>19,925</u>		<u>20,783</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	19				
• Restricted fixed asset fund		22,803		23,353	
• Restricted income funds		304		322	
• Pension reserve		(3,258)		(2,932)	
<b>Total restricted funds</b>			19,849		20,743
<b>Unrestricted income funds</b>	19		76		40
<b>Total Funds</b>			<u>19,925</u>		<u>20,783</u>

The accounts set out on pages 29 to 53 were approved by the board of trustees and authorised for issue on 10 December 2020 and are signed on its behalf by:

  
 Garth Crooks OBE  
 Chair of the Trustees

Company Registration number: 04268208

**CAPITAL CITY ACADEMY TRUST**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	169	132
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		2	3
Capital grants from DfE and ESFA		24	103
Payments to acquire tangible fixed assets		(111)	(259)
Proceeds from sales of tangible fixed assets		-	-
		<u>(85)</u>	<u>(153)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		84	(21)
Cash and cash equivalents at 1 September 2019		322	343
<b>Cash and cash equivalents at 31 August 2020</b>		<u>406</u>	<u>322</u>

# **CAPITAL CITY ACADEMY TRUST**

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

### **1. Accounting policies**

The Capital City Academy Trust is a charitable company limited by guarantee and incorporated in England and Wales. The address of the Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations are set out in the Trustees' Report.

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.

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

The accounts 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.

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

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### **1.2 Going Concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. It makes this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. The Trustees are concerned about the impact covid-19 will have on staffing costs and the increase in the pension deficit. However, the academy's cash reserves are being restored as a result of rationalising finance and facilities functions within the past year and they expect replacement of ageing equipment and investment in upgrading the building's facilities to be adequately financed in the medium to longer term. For the purpose of these accounts they have concluded that the academy trust has adequate operational resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the accounts.

#### **1.3 Income**

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

##### Grants receivable

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 no 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.

**CAPITAL CITY ACADEMY TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**Accounting policies**

**(Continued)**

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust 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 trust 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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

**CAPITAL CITY ACADEMY TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**Accounting policies**

**(Continued)**

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

**1.5 Tangible fixed assets and depreciation**

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

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

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

Land and Buildings	Over the length of the lease
Freehold Buildings	2%-10%
Computer equipment	Straight Line over 3 Years
Fixtures, fittings & equipment	10%
Motor vehicles	Straight Line over 4 Years

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

**1.6 Liabilities**

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

**CAPITAL CITY ACADEMY TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**Accounting policies**

**(Continued)**

**1.7 Provisions**

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

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

**1.8 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**1.9 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. 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. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.10 Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

**1.11 Taxation**

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

**CAPITAL CITY ACADEMY TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**Accounting policies**

**(Continued)**

**1.12 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 and the assets are held separately from those of the academy trust.

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 substantial 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. As stated in note 21, 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 are 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.

**1.13 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Department for Education and teachers training grants.

**1.14 Agency Arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA.

Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

**CAPITAL CITY ACADEMY TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**Accounting policies**

**(Continued)**

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

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

Critical assumptions for LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

Critical areas of judgement

There are no further judgements critical to the academy trust's financial statements apart from those disclosed above.

**3 General Annual Grant (GAG)**

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

The academy trust has not exceeded these limits during the year ended 31 August 2020.



**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**4 Donations and capital grants**

	Unrestricted Funds £000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	24	24	87
Other donations	5	12	17	48
	<u>5</u>	<u>36</u>	<u>41</u>	<u>135</u>

The income from donations and capital grants in 2020 was £41,000 all of which £36,000 was restricted and £5,000 was unrestricted.

**5 Funding for the academy trust's educational operations**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
<b>DfE/ ESFA grants</b>				
General annual grant (GAG)	-	7,759	7,759	7,749
Other DfE/ESFA grants	-	413	413	441
	<u>-</u>	<u>8,172</u>	<u>8,172</u>	<u>8,190</u>
<b>Other government grants</b>				
Local authority grants	-	163	163	174
Special educational projects	-	48	48	81
	<u>-</u>	<u>211</u>	<u>211</u>	<u>255</u>
<b>Other funds</b>	-	211	211	255
Other incoming resources	-	204	204	114
<b>Exceptional government funding</b>				
Coronavirus Job Retention Scheme grant	-	-	-	-
Coronavirus exceptional support	-	36	36	-
Other Coronavirus funding	-	-	-	-
<b>Total funding</b>	<u>-</u>	<u>8,623</u>	<u>8,623</u>	<u>8,559</u>

The income from the Academy Trust's educational operations in 2020 was £8,623k of which £8,587k was restricted general funds and £36k was Coronavirus exceptional support.

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for Coronavirus exceptional support covers £36k of Premises related costs, Free school meals, Additional cleaning and Other costs. These costs are included in notes 8 and 9 below as appropriate.

**6 Other trading activities**

	Unrestricted Funds Total 2020 £'000	Unrestricted Funds Total 2019 £'000
Hire of facilities	<u>77</u>	<u>121</u>

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**7 Investment Income**

	Unrestricted Funds Total 2020 £'000	Unrestricted Funds Total 2019 £'000
Short term deposits	2	3
	<u>2</u>	<u>3</u>

**8. Expenditure**

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2020 £'000	Total 2019 £'000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
• Direct costs	5,768	608	442	6,818	6,875
• Allocated support costs	1,278	133	1,174	2,585	2,466
	<u>7,046</u>	<u>741</u>	<u>1,616</u>	<u>9,403</u>	<u>9,341</u>

Expenditure on raising funds was £nil (2019 – £nil).

**Net Income/ (expenditure) for the period includes:**

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	13	12
- Other services	2	4
Legal and Professional	55	43
Operating lease rentals (plant and machinery)	4	19
Net interest on defined benefit pension liability (note 21)	57	48
Depreciation	741	737

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>9. Charitable activities</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Direct costs – educational operations	<b>6,818</b>	6,875
Support costs – educational operations	<b>2,585</b>	2,466
	<b>9,403</b>	9,341

<b>Analysis of support costs</b>	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Support staff costs	1,193	1,134
Depreciation	125	122
Technology costs	14	23
Premises costs	589	753
Other support costs	571	344
Governance costs	93	90
	<b>2,585</b>	2,466

**10. Staff costs**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	5,191	5,466
Social security costs	552	555
Operating costs of defined benefit pension schemes	1,107	834
Apprenticeship levy	11	11
<b>Total staff costs</b>	<b>6,861</b>	6,866
Supply Staff Costs	151	132
Staff Restructuring Cost	-	-
	<b>7,012</b>	6,998

**Staff numbers**

The average number of persons (including senior leadership team) employed by the Academy during the period was as follows:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Teachers	75	88
Administration and support	53	43
Management	13	11
	<b>141</b>	142

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Higher paid staff**

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

	2020 Number	2019 Number
£60,001 - £70,000 per annum	9	6
£70,001 - £80,000 per annum	2	3
£80,000 - £90,000 per annum	-	-
£100,001 - £110,000 per annum	-	1
£110,001 - £120,000 per annum	1	-

**Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees, the senior management team listed on page 1 and Directors. 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 £1,132,375 (2019: £1,055,232). Trustees do not receive any remuneration in their capacity as Trustees.

**11. Trustees' remuneration and expenses**

During the year none of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees. Other trustees were not paid any remuneration nor received any other benefits from employment with the Academy Trust.

The value of trustees' remuneration and other benefits was as follows:

Marianne Jeanes (Principal and trustee)  
 Remuneration: £110,000 - £120,000 (2019: £100,000 - £110,000)  
 Employer's pension contributions paid: £20,000 - £30,000 (2019: £15,000 - £20,000)

Chiu-Kim Lee (Staff trustee)  
 Remuneration: £50,000 - £60,000 (2019: £50,000 - £60,000)  
 Employer's pension contributions paid: £10,000 - £20,000 (2019: £5,000 - £10,000)

Wola Ayankoso (Staff trustee)  
 Remuneration: £40,000 - £45,000 (2019: £35,000 - £40,000)  
 Employer's pension contributions paid: £1,000 - £5,000 (2019: £0)

Trustee's reimbursed travelling expenses by the Academy were £0 (2019: £0) and the Principal received £0 expenses reimbursed while carrying out their functions of Principal (2019: £0).

Other related party transactions involving the Trustees are set out in Note 25.

**12. Trustees and officers insurance**

In accordance with normal commercial practice the Academy has purchased insurance through the Department for Education's risk protection arrangements (RPA) to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The RPA protection provides unlimited employer's liability and professional indemnity. The cost of this insurance is included in the total insurance cost.

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**13. Tangible fixed assets**

	Freehold Buildings	Long Leasehold Land	Motor Vehicle	Furniture, Fittings & Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
As at 1 September 2019	28,038	4,100	-	1,081	1,086	34,305
Additions	-	-	5	62	44	111
Disposal	-	-		(20)	(342)	(362)
<b>At 31 August 2020</b>	<u>28,038</u>	<u>4,100</u>	<u>5</u>	<u>1,123</u>	<u>788</u>	<u>34,054</u>
<b>Depreciation</b>						
As at 1 September(as previously reported)	8,902	145	-	602	977	10,626
Charge for year	591	36	-	75	39	741
Disposal	-	-		(20)	(342)	(362)
<b>At 31 August 2020</b>	<u>9,493</u>	<u>181</u>	<u>-</u>	<u>657</u>	<u>674</u>	<u>11,005</u>
<b>Net book value</b>						
At 31 August 2020	<u>18,545</u>	<u>3,919</u>	<u>5</u>	<u>466</u>	<u>114</u>	<u>23,049</u>
At 31 August 2019	<u>19,136</u>	<u>3,955</u>		<u>479</u>	<u>109</u>	<u>23,679</u>

The Academy occupies land in Doyle Gardens leased to it under a peppercorn rent by the London Borough of Brent for a period of 125 years which commenced on 30 September 2003. Depreciation has been calculated over the remaining lease period from the date the Land was brought into the accounts (2011). Additions to Furniture, Fixtures and Equipment include final retention for the replacement boiler works.

**14. Financial instruments**

The Academy Trust has the following financial instruments:

**Financial assets**

Debt instruments measured at amortised cost comprise trade debtors, staff loans receivable and accrued income and total £206,316 (2019: £83,819).

**Financial liabilities**

Financial liabilities measured at amortised cost comprise trade creditors and accruals and total £208,960 (2019: £273,771).

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**15. Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Stock	-	-

**16. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	22	10
VAT recoverable	47	84
Other debtors	3	3
Prepayments and accrued income	288	227
	<b>360</b>	<b>324</b>

**17. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	184	247
Other taxation and social security	267	222
Other creditors – Third Party Funds	31	38
Accruals and deferred income	150	103
	<b>632</b>	<b>610</b>

**18. Deferred Income**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Deferred Income at 1 September 2019	73	89
Resources deferred in the year	104	73
Amounts released from previous years	(73)	(89)
<b>Deferred Income at 31 August 2020</b>	<b>104</b>	<b>73</b>

At the balance sheet date the Academy was holding funds received in advance for Sports and Other grants where entitlement has not been met.

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**19. Funds**

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	7,759	(7,759)	-	-
Other DfE/ESFA grants	109	372	(424)	-	57
Other government grants	74	252	(191)	(30)	105
Other restricted funds	139	215	(113)	(99)	142
Funds excluding pensions	322	8,598	(8,487)	(129)	304
Pension reserve	(2,932)	-	(164)	(162)	(3,258)
	(2,610)	8,598	(8,651)	(291)	(2,954)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	21,985	24	(599)	-	21,410
Capital expenditure from GAG	1,073	-	(180)	-	892
Private sector capital sponsorship	295	-	38	167	501
	23,353	24	(741)	167	22,803
<b>Total Restricted Funds</b>	<b>20,743</b>	<b>8,622</b>	<b>(9,392)</b>	<b>(124)</b>	<b>19,849</b>
<b>Unrestricted funds</b>					
General funds	40	85	(11)	(38)	76
<b>Total Funds</b>	<b>20,783</b>	<b>8,707</b>	<b>(9,403)</b>	<b>(162)</b>	<b>19,925</b>

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

The other Local Government grants are the Statemented Pupil Grant (SEN). Other funds include all miscellaneous grants and Parents contributions for trips received during the year. Most of these funds excluding trips had already been budgeted to be expended through the GAG as we were uncertain to receive them. Sports & Other grants are funds received for the School Games Organiser Programme and contributions from local primary schools to a specific project.

The Restricted fixed asset funds include all transactions related to the purchase of Capitalised assets in year or some of the General Annual Grant.

Unrestricted Funds are funds raised through letting facilities. A transfer of £38 thousand has been made out of the unrestricted fund into the restricted general fund to compensate for restricted expenditure in the year.

The trust is carrying a net surplus of £382,000 on restricted general funds (excluding pension reserve) plus unrestricted funds. The trust has reviewed staffing and resourcing and made operational adjustments to strengthen its funds position over the past academic year.

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**19 Funds**

**(Continued)**

**Movements in funds - comparative year**

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant	-	7,749	(7,749)	-	-
Other DfE / ESFA grants	99	413	(403)	-	109
Other government grants	111	255	(289)	(3)	74
Other restricted funds	39	173	(73)	-	139
Funds excluding pension pensions	249	8,590	(8,514)	(3)	322
Pension reserve	(1,690)	-	(75)	(1,167)	(2,932)
	<u>(1,441)</u>	<u>8,590</u>	<u>(8,589)</u>	<u>(1,170)</u>	<u>(2,610)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	22,560	103	(678)	-	21,985
Capital expenditure from GAG	943	-	130	-	1,073
Private sector capital sponsorship	342	-	(189)	142	295
	<u>23,845</u>	<u>103</u>	<u>(737)</u>	<u>142</u>	<u>23,353</u>
<b>Total restricted funds</b>	<u>22,404</u>	<u>8,693</u>	<u>(9,326)</u>	<u>(1,028)</u>	<u>20,743</u>
<b>Unrestricted funds</b>					
General funds	69	125	(15)	(139)	40
<b>Total funds</b>	<u>22,473</u>	<u>8,818</u>	<u>(9,341)</u>	<u>(1,167)</u>	<u>20,783</u>



**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**20. Analysis of net assets between funds**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset funds	Total Funds
<b>Fund balances at 31 August 2020 are represented by:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tangible fixed assets	51	195	22,803	23,049
Current assets	25	741	-	766
Creditors falling due within one year	-	(632)	-	(632)
	<u>76</u>	<u>304</u>	<u>22,803</u>	<u>23,183</u>
Pension Scheme Liability	-	(3,258)	-	(3,258)
	<u>76</u>	<u>(2,954)</u>	<u>22,803</u>	<u>19,925</u>

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset funds	Total Funds
<b>Fund balances at 31 August 2019 are represented by:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tangible fixed assets	29	297	23,353	23,679
Current assets	13	633	-	646
Creditors falling due within one year	(2)	(608)	-	(610)
	<u>40</u>	<u>322</u>	<u>23,353</u>	<u>23,715</u>
Pension Scheme Liability	-	(2,932)	-	(2,932)
	<u>40</u>	<u>(2,610)</u>	<u>23,353</u>	<u>20,783</u>

**21. 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 Brent Pension Fund. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £128,638 (2019: £101,539) were payable to the schemes at 31 August 2020 and are included within creditors.

**CAPITAL CITY ACADEMY TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**21. Pension and similar obligations**

**(Continued)**

**Teachers' Pension Scheme**

**Introduction**

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

**Budgeting and Valuation account**

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

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

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

**Scheme changes**

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £753,000 (2019: £507,000).

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. Pension and similar obligations**

**(continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 35.0% for employers and 5.5% to 12.5% for employees.

The total contribution made for the year ended 31 August 2020 was £422k (2019: £392k) of which employer's contributions totalled £355k (2019 - £328k) and employees' contributions totalled £67k (2019 - £64k). The agreed contribution rate for future years are shown below for employers and are on a tiered basis for employees.

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

<b>Total contributions made</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	355	328
Employees' contributions	67	64
Total contributions	<u>422</u>	<u>392</u>

<b>Principal actuarial assumptions</b>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	2.5	2.6
Rate of increase for pensions in payment	2.2	2.3
Discount rate	1.7	1.9
Inflation assumption (CPI)	<u>3.3</u>	<u>3.3</u>

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

	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.1	21.4
- Females	24.3	23.6
Retiring in 20 years		
- Males	23.0	22.3
- Females	25.5	24.9

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. Pension and similar obligations**

**(continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

April 2014 to March 2015	28.4%
April 2015 to March 2016	29.4%
April 2016 to March 2017	30.0%
April 2017 to March 2018	32.5%
April 2018 to March 2019	33.8%
April 2019 to March 2020	35.0%

**The academy trust's share of the assets in the scheme**

	<b>2020</b> <b>Fair value</b> <b>£'000</b>	<b>2019</b> <b>Fair value</b> <b>£'000</b>
Equities*	4,571	4,062
Bonds	762	729
Property	234	208
Currency	293	208
Total market value of assets	<u>5,860</u>	<u>5,207</u>
Actual return on scheme assets – (gain) / loss	<u>(232)</u>	<u>(149)</u>

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

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
Current service cost*	452	339
Interest income	(102)	(133)
Interest cost	159	181
Past Service cost (McCloud adjustment)	-	21
Total operating charge	<u>509</u>	<u>408</u>

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. Pension and similar obligations**

**(continued)**

**Changes in the present value of defined benefit obligations**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Obligations at 1 September 2019	8,139	6,293
Service cost	452	360
Interest cost	159	181
Employee contributions	65	66
Actuarial loss / (gains)	394	1,316
Benefits paid	(91)	(77)
At 31 August 2020	<u>9,118</u>	<u>8,139</u>

**Changes in the fair value of the academy trust's share of scheme assets**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Assets at 1 September 2019	5,207	4,603
Interest income	102	133
Actuarial gains	232	149
Employer contributions	345	333
Employee contributions	65	66
Benefits paid	(91)	(77)
At 31 August 2020	<u>5,860</u>	<u>5,207</u>

**22. Reconciliation of net income to net cash used in operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure for the reporting period	(694)	(523)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(24)	(103)
Investment income receivable	(2)	(3)
Defined benefit pension costs less contributions payable	107	27
Defined benefit pension net finance cost	57	48
Depreciation of tangible fixed assets	741	737
Profit on disposal of fixed assets	-	-
Decrease in stocks	-	6
(Increase)/Decrease in debtors	(36)	13
Increase/(Decrease) in creditors	20	(70)
Net cash provided by operating activities	<u>169</u>	<u>132</u>

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. Contingent liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds or the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**24. Commitments under operating leases**

**Operating leases**

At 31 August 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2020 £'000	2019 £'000
Amounts due within one year	27	29
Amounts due between one and five years	27	22
	<b>54</b>	<b>51</b>

The Academy entered one non-cancellable operating lease agreement for multi-functional printing devices during 2020/ 2021 for the value of £35,494.

**25. Related party transactions**

During the year the sponsor of the Academy Trust, Sir Frank Lowe, made one donation of £6,500 to the school for the refurbishment of our QSB Theatre curtains and a donation of £5,000 to support the Academy through the Covid-19 pandemic.

A Trustee, Anna Townsend, and a Member, Sohail Faruqi are employed by Teach First who the Academy holds a Partnership Agreement with for the provision of trainee teachers. The amount for this service agreement for 2019/20 was £49,940 and next year the amount is £39,220.

The Academy engaged a family member of the Principal to provide administrative support during the year for an amount of £910.

Key management personnel disclosure is included in note 10.

**26. 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 or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

**CAPITAL CITY ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**27. Agency Arrangements**

The Academy Trust distributes 16-19 Bursary Funds to students as an agent for the ESFA. With a brought forward balance of £36,254. In the year it received £35,890 and disbursed £40,981, with an amount of £31,163 repayable by the Academy at 31 August 2020 and therefore included in creditors as Third Party funds. (2019: brought forward balance of £33,887 in year received £36,058 and disbursed £33,691, with an amount of £36,254 repayable). There was no provision for the Sports Games Organiser.