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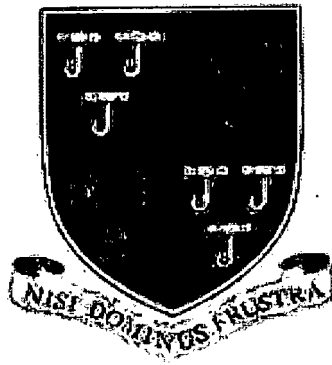
COMPANIES HOUSE

Kirkbie Kendal School Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2020



Company Registration Number: 07543834
(England & Wales)

Kirkbie Kendal School Academy Trust

Contents	Page
Reference and Administrative Details	1
Governors' Report	3
Governance Statement	13
Statement on Regularity, Propriety and Compliance	17
Statement of Governors' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19
Independent Accountant's Report on Regularity	22
Statement of Financial Activities Incorporating Income & Expenditure Account	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements, Incorporating:	
Statement of Accounting Policies	27
Other Notes to the Financial Statements	33

Reference and Administrative Details

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2020.

	Appointed	Resigned
Members	Mr M Duff (Chair) Mr W R Abram Mr P Braithwaite Mrs J Summerfield	
Governors who are directors	Mr D Armstrong Dr N Brown Mr G Duckworth Mrs H Herbert (Staff Governor) Mr P Hyman (Headteacher) Mrs S Parnaby Mrs M Thompson Mrs S Tully Mr A Williams (Staff Governor)	
Company Secretary	Mrs L J Rudelhoff Scott	
Senior Management Team		
• Headteacher / principal	Mr P Hyman	
• Deputy Headteacher	Mr M Harris	
• Deputy Headteacher	Mrs G McMullen (to 31 October 2019)	
• Assistant Headteacher	Mrs C Barker	
• Assistant Headteacher	Mr M Bousfield	
• Associate Assistant Headteacher	J Shepherd	
• Associate Assistant Headteacher	H Ronan	
• Business Manager	Mrs A Eastwood (from 4 May 2020)	
• Business Manager	Mr J Gee (until 31 July 2020)	
Company Name	Kirkbie Kendal School Academy Trust	
Principal and Registered Office	Lound Road Kendal Cumbria LA9 7EQ	
Company Registration Number	07543834	

Reference and Administrative Details (continued)

Independent Auditor	Saint and Co The Old Police Station Church Street Ambleside Cumbria LA22 0BT
Bankers	Barclays Bank PLC Highgate Kendal Cumbria
Solicitors	Thompson Hayton Winkley 25 Crescent Road Windermere Cumbria LA23 1BJ

Governors' Report

The trustees, who are also directors for the purposes of company law, present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in and around Kendal in Cumbria. It had a net pupil capacity of 1,060 and had a roll of 1,017 in the school census on 1 October 2020.

Structure, Governance and Management**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. The governors act as the trustees for the charitable activities of Kirkbie Kendal School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Kirkbie Kendal School.

The governors / directors of the academy are made up of volunteers who meet regularly through three committees; finance and property, curriculum and pay and performance. These committees report to the full governing body each term. The management and running of the school is delegated to the headteacher and the senior leadership team.

Details of the governors who served during the year, and to the date these accounts are approved, 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.

Governor's Indemnities

The governors / directors of the academy trust are covered by indemnity insurance paid for by the trust.

Method of Recruitment and Appointment or Election of Governors

The governors carried out the following procedure:

- Identify if there was a particular specialist need or skill required (financial, building, curriculum, safeguarding, legal).
- If so suitable candidates would be approached by the clerk to the governors.

For parent / staff recruitment

- Inform all parents and /or staff of the vacancy.
- Request nominations are put forward.
- Establish the candidate's suitability.
- Hold a ballot of parents / staff.

Policies and Procedures Adopted for the Induction and Training of Governors.

New governors are assigned a mentor who is an experienced member of the governors, supplied with an induction pack of relevant information, and encouraged to attend the Local Authority governor training courses. They are then attached to the relevant committee that provides the best use of their individual skills and knowledge, which is identified through a skills audit.

Governors' Report (continued)**Organisational Structure**

The management structure consists of three levels, the governors, the school's leadership team and middle managers. The aim of the management structure is to develop responsibility and encourage the involvement of decision making at all levels.

The headteacher is the accounting officer of the academy trust; the day to day management of the school is delegated by the governors to the headteacher and the leadership team, all financial decisions are delegated in line with the scheme of delegation.

The governors are responsible for setting the strategic direction of the school, adopting the school development, general policies and the financial budget. The governors also monitor the school's performance, and appoint senior staff.

The current leadership team comprises:

• Headteacher	Mr P Hyman
• Deputy Headteacher	Mr M Harris
• Assistant Headteacher	Mrs C Barker
• Assistant Headteacher	Mr M Bousfield
• Associate Assistant Headteacher	Miss H Ronan
• Associate Assistant Headteacher	Mr J Shepherd
• Business Manager / Governor / Director	Mrs A Eastwood

These manage the school at an executive level, implementing the policies laid down by the governors and reporting back to them.

Management of the school is delegated to the headteacher.

The headteacher and leadership team meet twice a week as a group. Individual line management meetings between the leadership team and headteacher happen weekly.

The headteacher will also meet with the representatives of the professional associations and trade union representatives when necessary.

The headteacher and leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The middle management team includes, heads of curriculum departments, pastoral year heads and administrative and support departments, some spending is devolved to them within set budgets. These managers are responsible for the general day to day operation, organising staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The members of the senior leadership team undergo an annual performance management process. Where objectives are set at the start of each academic year and monitored throughout the year. An end of year review is undertaken by the Headteacher and then shared with the Pay and Performance committee.

The Headteacher has a similar process with an independent performance management review. This review is then shared with the governors Headteacher review panel.

Following the successful reviews it is the Governors Pay and Performance committee who recommend any pay progression.

All other staff pay is reviewed using the schools pay and performance policy and determined by the Governing body.

Trade union facility time

The Academy has no relevant union officials.

Governors' Report (continued)**Connected Organisations, including Related Party Relationships**

Kirkbie Kendal School is a member of South Lakes Federation of schools. The federation is made up of nine secondary schools, one special school, one college of further education and a university. The federation is described as a loose federation, and all members work in collaboration with each other.

The Kendal Community Partnership was formed by the primary schools of Kendal, which both Kendal secondary schools are members, and works towards improving collaboration at primary level, developing and supporting the transfer of students to the secondary school environment.

Kirkbie Kendal School Association is the school's parent teacher association, and governors work closely with members with their regular activities.

A School direct partnership developed with the University of Cumbria allows up to 14 PE PGCE students to be trained at Kirkbie Kendal School, which makes the school a centre of excellence for PE new teachers.

Please see notes to the financial statements regarding governor related parties and transactions.

Objectives and Activities**Objects and Aims**

The academy trust's object is specifically restricted to the provision to advance for the public benefit education in the United Kingdom, by establishing and managing the school and promoting a broad and balanced curriculum.

The academy trust's principle objective and activity of the academy trust is the education of students from a wide range of abilities between the ages of 11 to 19.

In accordance with the company's articles of association the academy trust has adopted a funding agreement approved by the secretary of state for education. The funding agreement specifies, amongst other things, the basis for admitting students, the catchment area, and that the curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The main objectives during the year ending 31 August 2020 were:

- That all the school's business was conducted to the highest possible standards, integrity, probity and openness.
- To comply with all statutory legislation and curriculum requirements.
- To promote the school's values of Care, Courtesy, Consideration and hard work.
- Every student achieves the best that they possibly can.
- To ensure every student enjoys the same high quality of education.
- Raise the standards of achievement for all students.
- To continue to improve the school's effectiveness by continued self-assessment.
- Provide value for money.
- Maintain and build on the close links with local business.

Governors' Report (continued)

Strategies

The academies' ethos is to continue to develop our students into young men and women who are ready to meet the challenges of the world today with confidence and who are pleasant and well-rounded and friendly individuals.

Activities provided include:

- Training opportunities for all staff.
- Learning opportunities for all students to attain the appropriate academic qualifications.
- Tailored academic pathways to suit student requirements.
- Extensive programmes of sporting activities for all students.
- Lunch time and after school activities and clubs to enrich the school curriculum.
- Activities to all students to enhance and improve their support of others.
- Community programmes and activities to enrich all students' education.

The academy trust aims to establish equal opportunity in all the areas of its activities, to develop and enhance the working environment where everyone's contribution is valued. The academy trust supports the recruitment and retention of both students and staff with disabilities.

Public Benefit

The trustees of Kirkbie Kendal School confirm that they have complied with their duty, following the guidance on public benefit in the Charities Act 2011 in exercising their powers or duties.

Our successes are built upon the efforts of highly qualified, hardworking and enthusiastic staff, well-motivated students and very supportive parents and a committed Governing body with a strong connection with the local community.

The school has a very high quality pastoral care system and is a focus for wider community educational activities. We continue to generate better educational programmes for all our students as well as improving our transitional activities for students joining Kirkbie Kendal school.

We value highly all our contact with parents, as a successful education is a partnership between parents, students and school. By working together we meet our aim of ensuring that all students who attend Kirkbie Kendal School will find it challenging, caring and will enjoy their time here and achieve the very best that they can.

Governors' Report (continued)**Strategic Report**

Despite the disruption caused in the summer term by the COVID pandemic, the school has had a prolific year of success. Alongside a team of committed Governors, the teachers and support staff have enabled the school to provide a high quality of education. The progress the students have made this year, during a difficult period, has been outstanding. As well as superb examination results, students in all years have consistently demonstrated their considerate and caring attitudes. They have, for example, worked on projects for Young Minds, Papyrus, and Children in Need. As well as volunteering in local Care Homes and in primary schools, students made a significant contribution to increasing school recycling and raising environmental awareness. We have also successfully completed the next phase of our building projects, completing a £1.4 million roofing and window project refurbishment at the school.

Achievements and Performance

The academies' ethos has traditional values of hard work, care, courtesy and consideration at its heart, coupled with high expectations, a desire to learn and the knowledge that however good we are, we can and we want to improve. With this in mind the academy's aim is to encourage our students to achieve the best they possibly can and to develop into young men and women who are ready to meet the challenges of the 21st century with confidence and who are pleasant and well-rounded and friendly individuals.

Results this year showed students making excellent progress. Students did not sit their exams formally but no one should underestimate how hard Year 11 and 13 students have worked throughout their school careers to achieve their excellent exam results. The national debacle over the awarding of the grades must not be allowed to detract from our students' hard work that went into achieving the grades awarded with rigour by the school.

Examination Results

Results this year showed students making excellent progress.

Students did not sit their exams formally but no one should underestimate how hard Year 11 and 13 students have worked throughout their school careers to achieve their excellent exam results. The national debacle over the awarding of the grades must not be allowed to detract from our students' hard work that went into achieving the grades awarded with rigour by the school.

Year 13: achieved excellent GCE A level results, maintaining our outstanding grade over four years. Seventy five percent of all grades were awarded A*-B, 93% percent of all grades were awarded at A*-C.

Year 11: seventy five percent of students achieved a grade 4 or above in both Mathematics and English. Forty eight percent of students achieved a 5+ strong grade in both English and Mathematics, which would have placed us in the top 20% nationally on that measure for the fourth consecutive year. I am delighted that, for the sixth consecutive year, every student achieved five GCSE passes, extending the school record.

Governors' Report (continued)

GCSE RESULTS 2020

Subject	Entries	4+ (A*- C) (%)	7+ (A*A) (%)	National 4+ (%)	National 7+ (%)
Art & Design	43	86	23	86	30
Biology	31	100	74	95	53
Business Studies	46	74	24	80	28
Chemistry	31	100	77	96	53
Computing	20	90	25	80	34
Dance	5	100	40	-	-
Design & Technology	65	80	18	79	28
English Language	145	77	20	71	19
English Literature	145	81	23	80	24
Food	31	13	81	79	25
Geography	108	78	26	76	30
German	13	77	23	-	-
Health & Social Care	26	31	89	-	-
History	34	77	41	75	29
iMedia	43	9	81	-	-
Mathematics	145	79	25	67	19
Music	16	94	25	-	-
Sport (National Diploma)	15	47	0	-	-
PE	18	100	67	86	33
Physics	31	100	77	96	53
Religious Studies - Full GCSE	25	92	40	81	35
Science Combined Award	113	77	7	65	11
Spanish	30	67	27	82	33

Summary of GCSE Results

Number of students aged 15 on roll - 145

Students (percentage)	4+ in English and Maths	5+ in English and Maths	Achieving 5+ A* - G
Boys	74	51	100
Girls	75	46	100
All Students	75	48	100

Governors' Report (continued)

SUMMER GCE 'A' LEVEL SUMMARY

A Level The number of students was 54
 % of grades at A* - E = 100%
 % of grades at A* - B = 76%
 % of grades at A* - C = 93%

Subject	Entries	A*/A	B	C	D	E
Art	5	1	2	1	1	
Biology	12	6	1	3	1	1
Business Studies	11	5	3	3		
Chemistry	11	7	1	2	1	
Computing	1	1				
English Language	4	1	3			
English Literature	14	6	3	3	2	
Geography	14	5	5	4		
History	4	3		1		
Mathematics	15	8	4	2		1
Physics	4	3	1			
Psychology	8	4	4			
Product Design	4	3	1			
Sociology	13	3	4	4	2	

SUMMER 2020 DIPLOMA SUMMARY

Subject	Entries	D*/D	M	P
Applied Science	5	1	3	1
Sport	8	8		
Health & Social Care	6	6		
Music	4	4		

Key Financial Performance Indicators

The governors will continue to monitor the academy's performance through regular reviews and monthly, quarterly and annual reports. To assist with this monitoring a number of key performance indicators will be identified, these indicators may be reviewed and revised so as to ensure that relevant information is provided.

Further performance review will be undertaken with benchmarking with other South Lakes Federation schools.

	2020	2019	2018	2017
Ratio of FTE staff to students.	9.32	9.71	6.35	8.18
Teaching staff FTE ratio to students	17.4	16.37	12.52	14.41
Gender Ratios	2020		2019	
	Male	Female	Male	Female
Teachers	26	39	26	40
Support	13	50	14	50

Going Concern

After making appropriate enquiries, the governing body has every expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future.

Retention of students to the 6th form was excellent, and student choice for the new year 7 in September 2020 was again over subscribed, which means the school continues to prosper.

For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Governors' Report (continued)**Financial Review****Financial Review**

The Academy Trust's accounting period is 01 September 2019 to 31 August 2020.

The academy trust was funded by the general academy grant which was paid directly by the Education Funding Agency. Grants are also received from Cumbria County Council relating to students special educational needs.

Income was also raised from community associations and local business for the hire of the school premises and sports facilities.

Total funds received at 31st August 2020	5,598,818
Total funds expended at 31st August 2020	6,930,453

During the year, the school received total revenue funding of £5,371,884, of which £4,542,552 was from the DfE in the form of GAG funding (85%). In addition the school received capital funding of £260,717.

Revenue expenditure was £5,563,048, of which staffing is the main area of cost at £4,860,274. (87%)

At 31st August 2020 the academy trust held fund balances of:

Restricted funds	(422,417)
Unrestricted funds	188,109
Restricted fixed asset funds	9,506,174
Pension deficit	<u>(2,918,000)</u>
	6,353,866

Other notable balances at 31 August 2020:

Cash balances held	206,328
Conditional Improvement Funds (CIF)	274,983

The level of funding agreed by the Education and Skills Funding Agency for the year allows for a deficit budget. Lagged funding means the grant we are allocated is based on the previous years smaller student numbers, this funding will start to catch up and the school's restricted funds will move back towards a small surplus.

Reserves Policy

The governors will continue to review, monitor and agree the levels of reserves the academy trust holds in line with government guidelines. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves. It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The Academy had total funds at 31 August 2020 of £6,353,866 which included £422,417 deficit on restricted funds not available for general purposes of the Academy Trust, £188,109 of free reserves defined as unrestricted funds available for general purposes and £9,223,534 which is held as tangible fixed assets.

The trust is carrying a net deficit of £234,308 on restricted general funds (excluding pension reserve) plus unrestricted funds because of lagged funding due to the school's popularity. The trust has been working very closely with the ESFA and have implemented a number of cost saving measures. Once the lagged fund catches up reserves will move into surplus.

In addition, the deficit on the restricted pension fund of £2,918,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary. This pension liability will have an impact on the level of these reserves. In the event of the closure of the Academy, this deficit would be met by the DfE.

The Governors have designated certain funds which include the following:

- Cinderovens sports facility fund has been designated for the maintenance and replacement of the all-weather pitch this year.
- Building projects fund has been designated for future building projects at the governor's discretion.

Governors' Report (continued)**Investment Policy**

The available funds for the academy trust dictate the investment policy. Cash balances are held within main stream banks and building societies with a strong ethical and environmental profile.

Principal Risks and Uncertainties

The academy's main funding comes from the ESFA and this funding is based on 2019 students. Measures are in place to market the school to ensure that student numbers are maintained. The intake to year 7 in September 2019 has been excellent with the school being over subscribed, unfortunately Kirkbie Kendal School has not been able to accommodate all the first choice applications and a number of student appeals took place. Staffing is a major cost to the academy and the curriculum is closely monitored to ensure that staffing resources are maximised. Student numbers are consistent over the next few years and future primary numbers indicate that this will continue to be the case. The Finance and Property Committee continue to monitor both student numbers and staffing levels on a regular basis.

Financial and Risk Management Objectives and Policies

The academy's exposure to credit, cash flow and liquidity risks are minimised by the very nature of the trust activities. Grant funding is received at the beginning of each month, which ensures a positive cash flow throughout the financial year, due to student lagged funding this has been closely watched over the year. Income from other sources, are not a large part of the trusts income and therefore do not form a significant credit risk. Bank balances are positive and the academy holds cash reserves.

It is the Governors objective to maintain suitable cash reserves whilst expending the grant funding received in that year on the education of the students. The level of reserves is discussed annually.

Principal Funding Sources

The majority of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Fundraising

The School receives donations from a number of other parties, including but not limited to Kirkbie Kendal School Association and The Trustees of Kirkbie Kendal School (Charity number: 526961). The School does not actively fund raise but welcomes these donations.

Plans for Future Periods

The academy trust will continue to improve the levels of performance of all its students so that they can achieve the best they possibly can.

The academy trust will continue to market the school to maintain its share of available student intake, by developing and working collaboratively with the South Lakes Federation and the Kendal Community Partnership.

Work to encourage our more able students to follow the extended programme qualification and the elite pathways programme to maintain recruitment to the sixth form.

The schools development and action plans set out targets for student achievement, teaching standards and utilisation of resources.

Kirkbie Kendal School Academy Trust makes contributions to the teachers' pension and Cumbria local government pension schemes both of which continue to undergo considerable changes.

The academy will monitor all these changes and the changes to government legislation and follow the schemes administrator's advice on contributions.

Governors' Report (continued)

Funds Held on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

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

The Governors' report, incorporating a strategic report, was approved by the Governors and signed on its behalf by:

S. A. Parnaby.

Mrs S Parnaby

Chair of Governors and Academy Trustee

26/1/21

Date

Governance Statement

Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring that the academy trust has an effective and appropriate system of control, financial and otherwise. A number of systems, especially in the areas relating to teaching, health and safety, school trips and financial control have been implemented. Vetting of new staff is carried out along with systems to identify and supervise visitors to the school.

However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governors have delegated the day-to-day responsibility to the headteacher, as accounting officer and the schools business manager for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kirkbie Kendal School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body through the Finance and Property Committee any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities.

The **Governing Body** has formally met six times, the pay & performance committee two times, the curriculum committee four times and the finance and property committee four times.

Attendance during the year at meetings was as follows:

Governor	Full Board		P&PM		Curriculum		F&P		Total
	possible	attended	possible	attended	possible	attended	possible	attended	
Mr W R Abram (Chair F&P)	6	4	2	2	-	-	4	3	9
Mr D Armstrong	6	6	-	-	-	-	4	4	10
Mr P Braithwaite (Chair P&PM)	6	5	2	2	-	-	-	-	7
Dr N Brown	6	4	-	-	4	3	-	-	7
Mr G Duckworth	6	1	-	-	-	-	4	4	5
Mr M Duff (Chair)	6	6	2	0	4	3	4	3	12
Mrs H Herbert	6	5	-	-	4	4	-	-	9
Mr P Hyman	6	6	2	2	4	4	4	4	16
Mrs J Summerfield	6	4	2	2	-	-	-	-	6
Mrs S Tully	6	6	-	-	4	4	0	0	10
Mrs S Parnaby (Chair of Curriculum)	6	4	-	-	4	4	-	-	8
Mrs D Thompson	6	5	-	-	-	-	4	1	6
Mr A Williams	6	5	-	-	4	3	-	-	8

Governance Review

The Governors continue to review their own performance, this on-going review forms the Governing body's action plan which is updated in September each year.

Governance Statement (continued)***Finance and Property committee***

The Finance and Property committee is a sub-committee of the main board of governors. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources. The committee will assist with the proper planning and monitoring of financial matters and makes appropriate comments and regular recommendations on such matters to the governing body. The Audit Committee is part of this committee.

Attendance at the meetings in the year is shown above.

Curriculum committee

The Curriculum committee is a sub-committee of the main board of governors. Its main purpose is to be responsible for advising the main board of governors on details relating to the design, delivery and performance of the curriculum. It also reviews the exam results and discusses the individual subject performance and monitors the progress with individual action plans. The committee will identify areas for improvement and report regularly to the main board of governors.

Attendance at the meetings in the year is shown above.

Pay and performance committee

The pay and performance committee is a sub-committee of the main board of governors. Its main purpose is to be responsible for advising the main board of governors relating to staff employed by the academy trust. The committee monitors staff performance and identify areas of improvement reporting regularly to the main board of governors.

Attendance at the meetings in the year is shown above.

Review of Value for Money

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

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

Value for money is about achieving the best educational outcomes through the, efficient and effective use of all the resources available to the school.

Resources are directed where they are most needed and most effective to meeting our educational requirements.

Targeted improvement

- Resources including staffing are targeted in key subject areas, such as English and Maths, with performance closely evaluated.
- Monitoring and supporting the performance of all staff and ensuring that the relevant action is taken to address any weakness.

Focus on individual students

- Monitoring the needs of individual and particular students and ensuring that the support they receive is relevant to them.
- Identifying particular student groups i.e. pupil premium, gifted and talented, SEND and providing tailored and relevant support.

Collaboration

- We work closely with other schools and in particular, the South Lakes Federation of school (secondary) and the Kendal primary schools.

Quantifying improvements

- Students are closely tracked throughout the year groups and across key stages.

Governance Statement (continued)

Our governance arrangements include regular monitoring by the full governing body and the Finance and Property committee at half termly meetings. Relevant financial management reports are provided for each meeting. These committees are also informed by termly reports completed by the schools accountants, who carry out checks on financial processes and tendering procedures in place.

Value for money is achieved in purchasing through:

- Fitness for purpose.
 - o Consideration of different suppliers both online and through catalogues to find best value.
- Benchmarking.
 - o Working and sharing with the other South Lakes Federation of schools, and other local schools, joint procurement and sharing best practice.
 - o Comparing costs and prices through the South Lakes Federation Business Manager's group.
- Options appraisal.
 - o Consideration of whether the purchase is really necessary, or if there is a more cost efficient alternative available.
 - o Tendering for major contracts and services and building works, alternative costs are obtained in accordance with the financial procedures and scheme of delegation.
- Economies of scale.
 - o Looking at alternative joint and group procurement to obtain group discounts.
 - o Sharing information and joint use of staff with local schools.

We recognise the need to closely monitor costs, monthly, quarterly financial reports are prepared and shared with the school's leadership team. The staffing structure and time table are carefully structured to ensure maximum use of available staff whilst meeting our operational needs.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The governors review 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 governors are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governors, revised in accordance with audit and other recommendations.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures, detailed within the finance management and procedures handbook, 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 governors;
- regular reviews by the finance and property 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.

Governance Statement (continued)**Internal Scrutiny**

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

For the year ended 31 August 2020 a peer review was performed by the Business Manager from Cartmel Priory school. The peer reviewer was independent of the trust and looked at the risk management procedures and other controls. In addition, the Governors have appointed Saint and Co the external auditor, to perform an additional programme of works on the internal financial controls.

The Governors are aware of the revised FRC Ethical Standard for auditors which states that a firm providing external audit to an entity shall not also provide internal audit services to it. The internal scrutiny function is currently been reviewed for next year to allow for a compliant arrangement to be put in place.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the auditor reports to the Governing Body on the operation of the financial systems of control and on the discharge of the board of trustees' financial responsibilities.

The external auditor has delivered their schedule of works as planned and any recommendations have been considered.

Review of Effectiveness

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

- The work of the external auditor;
- The financial management and governance self-assessment process;
- Monthly and quarterly financial reports;
- Weekly meetings with the school's business manager;
- Termly meetings with the school's finance manager;
- The financial management manual;
- The work of budget holders and members of the senior leadership team.

The governors will review any recommendations made by the school's auditors and implement them as required.

The accounting officer and business manager will be advised of any implications resulting from the review of the internal control systems by the finance and property committee and a plan for improvement.

Approved by order of the members of the Governing Body and signed on its behalf by:

S. A. Parnaby.

Mrs S Parnaby
Chair of Governors and Academy Trustee

P Hyman

Mr P Hyman
Headteacher & Accounting Officer

26/1/21

Date

Statement on Regularity, Propriety and Compliance

As accounting officer of Kirkbie Kendal School 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 terms and conditions of funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Mr P Hyman
Headteacher & Accounting Officer

26/01/2021

Date

Statement of Governors' Responsibilities

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

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 governors 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 judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the Governing Body and signed on its behalf by:

S. A. Parnaby

Mrs S Parnaby
Chair of Governors and Academy Trustee

26/1/21

Date

Independent Auditor's Report on the Financial Statements to the Members of Kirkbie Kendal School Academy Trust**Opinion**

We have audited the financial statements of Kirkbie Kendal School Academy Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent Auditor's Report on the Financial Statements to the Members of Kirkbie Kendal School Academy Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditor's Report on the Financial Statements to the Members of Kirkbie Kendal School Academy Trust (continued)

Use of our report

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



Mr Ian Thompson (Senior Statutory Auditor)

For and on behalf of

**Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT**

27/1/21 Date

Independent Reporting Accountant's Assurance Report on Regularity to Kirkbie Kendal School Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15/08/2018 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 Kirkbie Kendal School Academy Trust during the period 01 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.

Respective Responsibilities of the Kirkbie Kendal School Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the Kirkbie Kendal School Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 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.

The work undertaken to draw to our conclusion includes:

- the Financial Management & Governance Evaluation (FMGE) was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.

Independent Reporting Accountant's Assurance Report on Regularity to Kirkbie Kendal School Academy Trust and the Education and Skills Funding Agency (continued)

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 01 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.

Use of our report

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



Mr Ian Thompson (Reporting Accountant)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

27/1/21 Date

Statement of Financial Activities for the Year Ended 31 August 2020

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	-	226,934	226,934	1,639,398
Charitable activities						
Funding for the Academy trust's educational operations	4	167,891	5,157,059	-	5,324,950	5,250,661
Other trading activities	5	20,940	24,557	-	45,497	31,302
Investments	6	1,437	-	-	1,437	1,836
Total		190,268	5,181,616	226,934	5,598,818	6,923,197
Expenditure on:						
Charitable activities						
Academy trust educational operations	8	168,101	5,371,373	1,367,405	6,906,879	6,889,024
Other trading activities	7	23,574	-	-	23,574	16,663
Total	6	191,675	5,371,373	1,367,405	6,930,453	6,905,687
Net income / (expenditure)		(1,407)	(189,757)	(1,140,471)	(1,331,635)	17,510
Transfers between funds	11	932	(39,509)	38,577	-	-
Other recognised gains and (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	24	-	(28,000)	-	(28,000)	(864,000)
Net movement in funds		(475)	(257,266)	(1,101,894)	(1,359,635)	(846,490)
Reconciliation of funds						
Total funds brought forward	19	188,584	(3,083,151)	10,608,068	7,713,501	8,559,991
Total funds carried forward	19	188,109	(3,340,417)	9,506,174	6,353,866	7,713,501

All of the academy's activities derive from continuing operations during the above two financial periods.

Balance Sheet as at 31 August 2020

Company Number: 07543834

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	14		9,223,534		9,579,715
Investments			-		-
			<u>9,223,534</u>		<u>9,579,715</u>
Current assets					
Stock	15	8,090		4,379	
Debtors	16	378,260		656,142	
Cash at bank and in hand		<u>206,328</u>		<u>764,965</u>	
		592,678		1,425,486	
Liabilities					
Creditors: Amount falling due within one year	17	<u>(503,457)</u>		<u>(618,541)</u>	
Net current assets			<u>89,221</u>		<u>806,945</u>
Total assets less current liabilities			9,312,755		10,386,660
	18		(40,889)		(18,159)
Creditors: Amount falling due greater than one year					
Provision for liabilities					
Defined benefit pension scheme liability	24		<u>(2,918,000)</u>		<u>(2,655,000)</u>
Total net assets			<u><u>6,353,866</u></u>		<u><u>7,713,501</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	19	9,506,174		10,608,068	
Restricted income funds	19	(422,417)		(428,151)	
Pension reserve	19,24	<u>(2,918,000)</u>		<u>(2,655,000)</u>	
Total restricted funds	19		6,165,757		7,524,917
Unrestricted income funds					
General fund	19	<u>188,109</u>		<u>188,584</u>	
Total unrestricted funds			188,109		188,584
Total funds			<u><u>6,353,866</u></u>		<u><u>7,713,501</u></u>

The financial statements were approved by the trustees, and authorised for issue on 26/11/21 and signed on their behalf by:

S. A. Parnaby
Mrs S Parnaby
Chair of Governors and Academy Trustee

P. Hyman
Mr P Hyman
Headteacher & Accounting Officer

Statement of Cash Flows for the Year Ended 31 August 2020

	2020	2019			
	£	£			
Reconciliation of net income / (expenditure) to net cash flow from operating activities					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,331,635)	17,510			
<i>Adjusted for:</i>					
Depreciation	526,631	522,211			
Loss on disposal of fixed assets	-	475			
Capital grants from DfE/ESFA and other capital income	(226,934)	(66,564)			
Other government capital grants	-	-			
Capital donations	-	-			
Interest receivable	(1,437)	(1,836)			
Defined benefit pension scheme costs less contributions payable	180,000	55,000			
Defined benefit pension scheme net pension finance costs	55,000	51,000			
Decrease/(Increase)Increase in stocks	(3,711)	4,208			
Decrease/(Increase) in debtors	277,882	(179,776)			
Increase/(Decrease) in creditors	(115,084)	(114,757)			
Increase/(Decrease) in creditors over one year	22,730	9,255			
Increase/(Decrease) in CIF loans includes above	(25,000)	(9,255)			
Net cash provided by / (used in) Operating Activities	(641,558)	287,471			
Cash flows from financing activities					
Repayments of borrowing	-	-			
Cash inflows from new borrowing	25,000	9,255			
Net cash provided by / (used in) financing activities	25,000	9,255			
Cash flows from investing activities					
Interest receivable	1,437	1,836			
Proceeds from sale of tangible fixed assets	-	-			
Purchase of tangible fixed assets	(170,450)	(32,501)			
Capital grants from DfE/ESFA and other capital income	226,934	66,564			
Other government capital grants	-	-			
Capital donations	-	-			
Net cash provided by / (used in) investing activities	57,921	35,899			
Change in cash and cash equivalents in the reporting period	(558,637)	332,625			
Reconciliation of net cash flow to movement in net funds					
Cash and cash equivalents at 1 September 2019	764,965	432,340			
Change in cash and cash equivalents in the reporting period	(558,637)	332,625			
Cash and cash equivalents at 31 August 2020	206,328	764,965			
Analysis of cash and cash equivalents	1 Sep 19	Cash flows	31 Aug 20		
	£	£	£		
Cash in hand and at bank	764,965	(558,637)	206,328		
Total cash and cash equivalents	764,965	(558,637)	206,328		
Analysis of changes in net debt	1 Sep 19	Cash flows	New agreements	Other non-cash changes	31 Aug 20
	£	£	£	£	£
Cash	764,965	(558,637)	-	-	206,328
Loans falling due within one year	-	-	-	(2,270)	(2,270)
Loans falling due after more than a year	(18,159)	-	(25,000)	2,270	(40,889)
Total	746,806	(558,637)	(25,000)	-	163,169

Notes to the Financial Statements for the Year Ended 31 August 2020**1. Statement of Accounting Policies**

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

General Information

The academy trust is a public benefit entity and a private company limited by guarantee, registered in England and Wales and is an exempt charity. The address of the registered office is Kirkbie Kendal School Academy Trust, Lound Road, Kendal, Cumbria LA9 7EQ, United Kingdom.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basis of Preparation

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

The trust meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming Resources

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

- General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.
- Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.
- Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.
- Donations, legacies and other forms of voluntary income 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, 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.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)**

- 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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

Deferred Income

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust uses 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 the agency arrangements note. The unused funds at the period end are included as a liability in the balance sheet in other creditors.

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.

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****Tangible Fixed Assets**

Assets are carried at valuation/cost, net of depreciation and any provision for impairment.

The capitalisation policy of items as tangible fixed assets is as follows:

- Single assets costing less than £1,000 or similar groups of assets purchased or ordered together of less than £1,000 are written off in the year of purchase.
- All single assets or groups of assets ordered or purchased at the same time above £1,000 are to be capitalised.

Land and buildings are classed as long leasehold if the lease term is over 50 years.

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Tangible fixed assets since the Academy was established are included in the accounts at cost.

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

Depreciation

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/reducing balance basis over its expected useful life, as follows:

- Long leasehold property - straight line over the estimated economic life (10 to 50 years)
- Furniture, equipment and computers - straight line over 5 years
- Plant and machinery - straight line over 15 years

Assets are depreciated in full in the year of purchase.

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Stocks

Catering stock and stationery stock are measured at the lower of cost and estimated selling price less costs to complete and sell.

Liabilities

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

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****Public Benefit Entity Concessionary Loans**

Public benefit entity concessionary loans shall initially be measured at the amount received and recognised in the statement of financial position. In subsequent years, the carrying amount of concessionary loans in the financial statements shall be adjusted to reflect any accrued interest payable.

Provisions

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

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

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments.

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

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

Taxation

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

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

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****Pension Benefits**

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

Teachers' Pension Scheme

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

Local Government Pension Scheme

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

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

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****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 governors.

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 grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education and Skills Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates, assumptions and judgements

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in notes, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2. 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.

3. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
ESFA - Capital Grant	-	-	226,934	226,934	1,510,418
Other Government - Capital grants	-	-	-	-	-
Miscellaneous donations	-	-	-	-	128,980
	<u>-</u>	<u>-</u>	<u>226,934</u>	<u>226,934</u>	<u>1,639,398</u>
2019 total	92,518	16,724	1,530,156	1,639,398	

4. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	4,542,552	4,542,552	4,451,810
Pupil premium	-	120,894	120,894	126,269
Other DfE/ESFA grants	-	280,939	280,939	67,776
	<u>-</u>	<u>4,944,385</u>	<u>4,944,385</u>	<u>4,645,855</u>
Other Government Grants				
LA funded statements	-	52,015	52,015	59,901
Other government grants	-	3,284	3,284	9,676
	<u>-</u>	<u>55,299</u>	<u>55,299</u>	<u>69,577</u>
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	24,812	24,812	-
Other Coronavirus funding	-	-	-	-
	<u>-</u>	<u>24,812</u>	<u>24,812</u>	<u>-</u>
Catering	164,036	-	164,036	251,612
School trips income	-	38,563	38,563	193,135
School fund income	2,061	-	2,061	4,601
Other educational institutions	-	57,400	57,400	65,600
Other educational income	1,794	36,600	38,394	20,281
	<u>167,891</u>	<u>5,157,059</u>	<u>5,324,950</u>	<u>5,250,661</u>
2019 total	258,890	4,991,771	5,250,661	

Exceptional government funding

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 academy furloughed some of its catering staff under the government's CJRS. The funding received relates to staff costs in respect of 6 staff which are included within the wages note.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5. Other Trading Activities	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Hire of facilities - lettings	8,697	-	8,697	19,198
Hire of pitches	11,337	-	11,337	12,104
Insurance claims - trips	-	24,557	24,557	-
Risk protection arrangement claims	906	-	906	-
Other trading activities	-	-	-	-
	<u>20,940</u>	<u>24,557</u>	<u>45,497</u>	<u>31,302</u>
2019 total	<u>31,302</u>	<u>-</u>	<u>31,302</u>	
6. Investment Income	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Bank interest receivable	1,437	-	1,437	1,836
Other interest receivable	-	-	-	-
	<u>1,437</u>	<u>-</u>	<u>1,437</u>	<u>1,836</u>
2019 total	<u>1,836</u>	<u>-</u>	<u>1,836</u>	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7. Expenditure	Staff	Non Pay Expenditure		Total	Total
	Costs	Premises	Other Costs	2020	2019
	£	£	£	£	£
Cost of other trading activities	13,692	9,633	249	23,574	16,663
Academy's educational operations					
Direct costs	4,117,541	-	539,036	4,656,577	4,213,329
Trips and productions	2,200		60,919	63,119	193,135
Catering costs	76,090		91,578	167,668	208,317
Allocated support costs	650,750	1,129,114	239,651	2,019,515	2,274,243
	<u>4,846,581</u>	<u>1,129,114</u>	<u>931,184</u>	<u>6,906,879</u>	<u>6,889,024</u>
	<u>4,860,273</u>	<u>1,138,747</u>	<u>931,433</u>	<u>6,930,453</u>	<u>6,905,687</u>
2019 total	<u>4,422,508</u>	<u>1,178,184</u>	<u>1,304,995</u>	<u>6,905,687</u>	

		2020	2019
		£	£
Net income/(expenditure) for the period includes:			
Depreciation		526,631	522,211
(Gain)/loss on disposal of fixed assets		-	475
Operating leases		10,695	11,269
Fees payable to current auditor	- audit of the financial statements	2,900	4,500
	- other assurance services	3,540	3,690
	- other services	5,625	3,120

8. Cost of Other Trading activities	Unrestricted	Restricted	Total	Total
	Funds	Funds	2020	2019
	£	£	£	£
Sports lettings				
Support staff costs	9,780	-	9,780	7,519
Maintenance of premises and equipment	7,217	-	7,217	2,497
Heat and light	2,416	-	2,416	2,088
	<u>19,413</u>	<u>-</u>	<u>19,413</u>	<u>12,104</u>
Other lettings				
Support staff costs	3,912	-	3,912	4,036
Catering	249	-	249	523
	<u>4,161</u>	<u>-</u>	<u>4,161</u>	<u>4,559</u>
	<u>23,574</u>	<u>-</u>	<u>23,574</u>	<u>16,663</u>
2019 total	<u>16,663</u>	<u>-</u>	<u>16,663</u>	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9. Charitable Activities	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Direct Costs - educational operations				
Teaching and educational support staff costs	-	4,117,541	4,117,541	3,717,786
Depreciation	-	283,570	283,570	249,414
Educational supplies	-	67,499	67,499	64,278
Staff development	-	7,051	7,051	9,464
Examination fees	-	71,871	71,871	69,400
Educational consultancy	-	3,595	3,595	5,536
Alternative curriculum	-	34,723	34,723	29,477
Hire of leisure centre	-	16,782	16,782	24,638
Other direct costs	-	53,945	53,945	43,336
	-	4,656,577	4,656,577	4,213,329
Trips and productions - educational operations				
Trip supply costs	-	2,200	2,200	7,420
Trip insurance charge	-	179	179	-
Costs inc accommodation, transport and admission	-	60,740	60,740	185,715
	-	63,119	63,119	193,135
Catering - educational operations				
Support staff costs	76,090	-	76,090	78,717
Maintenance of premises and equipment	9,206	-	9,206	10,626
Catering expenses	82,372	-	82,372	118,974
	167,668	-	167,668	208,317
Support Costs - educational operations				
Support staff costs	-	650,750	650,750	607,031
Depreciation	-	243,061	243,061	272,797
Loss on disposal of fixed assets	-	-	-	475
Maintenance of premises and equipment	-	763,753	763,753	1,013,590
Cleaning	-	5,545	5,545	6,354
Rates and water	-	34,730	34,730	37,728
Heat and light	-	63,492	63,492	67,492
Insurance	-	18,533	18,533	19,525
Technology costs	-	36,157	36,157	33,820
Telephone	-	15,453	15,453	14,950
Security	-	10,156	10,156	9,993
Transport	-	17,025	17,025	15,597
Advertising	-	10,259	10,259	4,261
Admin photocopying and stationery	-	11,835	11,835	9,614
Mini bus rental	-	3,391	3,391	3,435
Mini bus expenses	-	1,000	1,000	1,487
School fund	433	-	433	558
Catering expenses	-	9,172	9,172	13,914
Other support costs	-	51,749	51,749	65,262
	433	1,946,061	1,946,494	2,197,883
Support Costs - governance				
Audit fees	-	2,900	2,900	4,500
Accountancy and assurance fees	-	9,165	9,165	6,810
Trustees' training and expenses	-	57	57	-
Legal fees	-	3,293	3,293	14,050
Professional fees	-	2,606	2,606	-
Net finance costs in respect of defined benefit pension schemes	-	55,000	55,000	51,000
	-	73,021	73,021	76,360
Total direct and support costs	168,101	6,738,778	6,906,879	6,889,024
2019 total	209,523	6,679,501	6,889,024	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10. Staff

a. Staff costs

	2020	2019
	£	£
Staff costs during the period were:		
Wages and salaries	3,487,610	3,439,117
Social security costs	331,850	286,913
Operating costs of defined benefit pension schemes	1,013,205	667,675
Apprenticeship levy	2,452	2,059
	<u>4,835,117</u>	<u>4,395,764</u>
Supply staff costs	25,157	26,744
Staff restructuring costs	-	-
Staff seconded in / out of the organisation	-	-
	<u>4,860,274</u>	<u>4,422,508</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £Nil). Individually, the payments were £Nil. (2019: £Nil)

c. Staff numbers

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

	2020	2019
	No	No
Charitable Activities		
Management	7	6
Teachers	63	64
Administration and support	60	64
	<u>130</u>	<u>134</u>

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

d. Higher paid staff

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

	2020	2019
	No	No
£60,000 to £69,999	2	2
£90,000 to £99,999		1
£100,000 to £109,999	1	
	<u>3</u>	<u>3</u>

e. Key management personnel

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

	2020	2019
	£	£
Senior leadership team	632,288	505,612
Staff Trustees	<u>65,898</u>	<u>78,824</u>
	698,186	584,436

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11. Transfers Between Funds

2020
£**Restricted general funds**

General Annual Grant (GAG)

Music tuition fees transferred to the restricted GAG fund to cover costs incurred in providing this service	1,794	
Unrestricted other educational income transferred to GAG fund	-	
GAG contribution towards CIF Roof Phase 2	(38,577)	
Overspend on unrestricted catering fund covered by GAG fund	(2,726)	
		(39,509)
		(39,509)

Restricted fixed asset funds

Fixed assets used for charitable purposes

Purchases from ESFA formula grant	21,870	
Condition improvement grant funds - capital element of project	148,580	
Purchases from capital donations	-	
		170,450

ESFA formula grant to Fixed assets fund

Purchases of fixed assets used for charitable purposes	(21,870)	
Formula Capital contribution to fund CIF Loan attached to CIF project	(25,000)	
		(46,870)

Condition improvement grant funds

Formula Capital contribution to fund CIF Loan attached to CIF project	25,000	
Condition improvement grant funds - capital element of project	(148,580)	
GAG contribution towards CIF Roof Phase 2	38,577	
		(85,003)
		38,577

Unrestricted Funds

Unrestricted general funds

Music tuition fees transferred to the restricted GAG fund to cover costs incurred in providing this service	(1,794)	
RPA Insurance claim transferred to catering fund	(906)	
Unrestricted other educational income transferred to GAG fund	-	
		(2,700)

Unrestricted catering fund

Overspend on unrestricted catering fund covered by GAG fund	2,726	
RPA Insurance claim transferred to catering fund	906	
		3,632

932

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12. Related Party Transactions – Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors.

The value of governors' remuneration and other benefits for the period was as follows:

P Hyman (principal and governor)		
Remuneration	£100,000 to £104,999	(2019: £95,000 to £99,999)
Employer's pension contributions	£20,000 to £24,999	(2019: £15,000 to £19,999)
J Gee (staff governor - remuneration up to date of resignation as a governor on 07/03/2019)		
Remuneration	N/A	(2019: £30,000 to £34,999)
Employer's pension contributions	N/A	(2019: £5,000 to £9,999)
H Herbert (staff governor)		
Remuneration	£30,000 to £34,999	(2019: £30,000 to £34,999)
Employer's pension contributions	£5,000 to £9,999	(2019: £0 to £4,999)
A Williams (staff governor)		
Remuneration	£15,000 to £19,999	(2019: £30,000 to £34,999)
Employer's pension contributions	£0 to £4,999	(2019: £5,000 to £9,999)

During the year ended 31 August 2020, travel and subsistence expenses totalling £Nil were reimbursed to no governors in respect of their teaching role (2019: £Nil to no governors).

13. Governors and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance for the year ended 31 August 2020 provides cover up to £10,000,000 (2019: £10,000,000) on any one loss and any one membership year.

The academy's insurance is via the Department for Education's risk protection arrangement (RPA) and the cost of this insurance is included in the total insurance cost. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14. Tangible Fixed Assets	Long Leasehold Land & Buildings	Plant & Machinery	Furniture Fittings & Equipment	ICT Equipment	Total
Cost	£	£	£	£	£
As at 1 September 2019	10,790,582	2,533,837	158,854	211,785	13,695,058
Additions	144,959	1,575	22,871	1,045	170,450
Disposals	-	-	-	-	-
As at 31 August 2020	<u>10,935,541</u>	<u>2,535,412</u>	<u>181,725</u>	<u>212,830</u>	<u>13,865,508</u>
Depreciation					
As at 1 September 2019	2,450,827	1,375,629	109,539	179,348	4,115,343
Charge in year	314,407	169,026	27,511	15,687	526,631
Disposals	-	-	-	-	-
As at 31 August 2020	<u>2,765,234</u>	<u>1,544,655</u>	<u>137,050</u>	<u>195,035</u>	<u>4,641,974</u>
Net book values					
As at 31 August 2020	<u>8,170,307</u>	<u>990,757</u>	<u>44,675</u>	<u>17,795</u>	<u>9,223,534</u>
As at 1 September 2019	<u>8,339,755</u>	<u>1,158,208</u>	<u>49,315</u>	<u>32,437</u>	<u>9,579,715</u>

Valuation Details

The leasehold buildings and the plant and machinery integral to the buildings include valuations of £10,110,891 and £2,525,097 respectively which were valued as at 1 April 2011 by Gary A Bushell, FRICS, AMAE of Bushell Raven Limited who is independent of the charitable company. The valuation is based on the estimated 'rebuild costs'.

The governors have departed from the applicable accounting standard FRS 102 section 17 Property, Plant and Equipment, which values specialised properties at Existing Use Value using a Depreciated Replacement Cost approach, as they believe that the 'rebuild cost' was a more accurate reflection of the value of the property at conversion.

In accordance with Gary A Bushell's instructions the land has been valued at £1. This valuation reflects the fact that the land is tied specifically to educational use. No account has been taken of any potential development value.

ESFA Condition Improvement Funds

During the year the academy incurred significant expenditure on ESFA Condition Improvement Fund projects. The majority of the costs are treated as resources expended in the Statement of Financial Activities.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15. Stock	2020	2019
	£	£
Stationery	2,230	-
Cleaning	-	-
Catering	5,860	4,379
	<u>8,090</u>	<u>4,379</u>
16. Debtors	2020	2019
	£	£
Trade debtors	89	401
VAT recoverable	14,933	71,548
Prepayments	46,540	48,799
Accrued income	306,182	533,788
Other debtors	10,516	1,606
	<u>378,260</u>	<u>656,142</u>
17. Creditors: Amounts falling due within one year	2020	2019
	£	£
Trade creditors	56,006	30,986
Taxation and social security	79,978	75,799
Other creditors	175,037	145,722
Accruals	53,326	300,777
Deferred income	82,593	65,257
ESFA creditors	54,247	-
Salix loans	2,270	-
CIF loans	-	-
	<u>503,457</u>	<u>618,541</u>
Deferred Income	2020	2019
	£	£
Accruals and deferred income includes:		
Deferred income at 1 September 2019	65,257	139,572
Resources deferred in the year	82,593	65,257
Amounts released from previous years	(65,257)	(139,572)
Deferred income at 31 August 2020	<u>82,593</u>	<u>65,257</u>
Deferred income comprises:		
School funds income for future trips	64,368	
ESFA grant for rates 1 September 2020 to 31 March 2021	12,365	
LA funded statements for 1 September 2020 to 31 March 2021	5,258	
Other income in relation to the next academic year	502	
Prize money for the next academic year	100	
	<u>82,593</u>	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18. Creditors: Amounts falling due greater than one year

	2020	2019
	£	£
Salix loans	15,889	18,159
CIF loans	25,000	-
	<u>40,889</u>	<u>18,159</u>

Salix loans are public benefit concessionary loans which are repayable over 8 years from commencement and are interest free.

The academy as part of the 2020/21 condition improvement fund project received funding in the form of a CIF loan. This loan is repayable over 5 years and attracts an interest rate of 2.01%, the first repayment via an abatement of GAG funding was in September 2021.

Included within the above are amounts not wholly repayable within 5 years and are repayable by instalments totalling:

	£	£
Salix loans	3,810	9,079
CIF loans	5,240	-
	<u>9,050</u>	<u>9,079</u>

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19. Funds	Balance at 01-Sep 2019 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2020 £
Restricted General Funds					
General Annual Grant (GAG)	(429,600)	4,542,552	(4,495,860)	(39,509)	(422,417)
Pupil Premium	-	120,894	(120,894)	-	-
Other ESFA grants	-	280,939	(280,939)	-	-
Exceptional government funding	-	24,812	(24,812)	-	-
LA funded statements	-	52,015	(52,015)	-	-
Other government grants	-	3,284	(3,284)	-	-
Other Educational Institutions	-	57,400	(57,400)	-	-
Trips and productions	-	63,120	(63,120)	-	-
Other educational income	-	36,600	(36,600)	-	-
Other restricted general funds	1,449	-	(1,449)	-	-
	<u>(428,151)</u>	<u>5,181,616</u>	<u>(5,136,373)</u>	<u>(39,509)</u>	<u>(422,417)</u>
Restricted Fixed Asset Funds					
Fixed assets used for charitable purposes	9,579,715	-	(526,631)	170,450	9,223,534
ESFA formula capital	34,063	20,464	-	(46,870)	7,657
ESFA condition improvement funds 19/20	994,290	(54,247)	(830,040)	(110,003)	-
ESFA condition improvement funds 20/21	-	260,717	(10,734)	25,000	274,983
Other capital donations	-	-	-	-	-
	<u>10,608,068</u>	<u>226,934</u>	<u>(1,367,405)</u>	<u>38,577</u>	<u>9,506,174</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(2,655,000)	-	(235,000)	(28,000)	(2,918,000)
Total Restricted Funds	<u>7,524,917</u>	<u>5,408,550</u>	<u>(6,738,778)</u>	<u>(28,932)</u>	<u>6,165,757</u>
Unrestricted Funds					
Cinderovens sports facility	10,275	11,337	(19,413)	-	2,199
School fund	49,203	2,061	(433)	-	50,831
Building projects	42,000	-	-	-	42,000
Catering fund	-	164,036	(167,668)	3,632	-
Other designated funds	74,373	8,697	(4,161)	-	78,909
General funds	12,733	4,137	-	(2,700)	14,170
Total Unrestricted Funds	<u>188,584</u>	<u>190,268</u>	<u>(191,675)</u>	<u>932</u>	<u>188,109</u>
Total Funds	<u>7,713,501</u>	<u>5,598,818</u>	<u>(6,930,453)</u>	<u>(28,000)</u>	<u>6,353,866</u>

Details of transfers are shown in Note 11.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Note 2 discloses whether the limit was exceeded.

The trust is carrying a net deficit of £234,308 (2019: £239,567) on restricted general funds (excluding pension reserve) plus unrestricted funds. The academy trust is taking the following action to return these funds to surplus as described in the funds in deficit section below.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

General Annual Grant (GAG) fund

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency (ESFA).

Pupil premium fund

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

Defined benefit pension scheme fund

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

Local authority funded statements

This represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

Other restricted general funds

This includes voluntary income and educational income to be expended on specific projects, activities and materials for the benefit of the pupils.

Cinderovens sports facility

This fund has been designated for the maintenance and future replacement of the all-weather pitch.

Building projects

This fund has been designated for future building projects at the governor's discretion.

ESFA condition improvement funds

This represents monies from the ESFA in relation to capital projects.

Fixed assets used for charitable purposes

This represents the value and movements on Tangible Fixed Assets note.

Funds in Deficit

The General annual grant fund was in deficit at the year-end totalling £422,417 (2019: £429,600). This was because the school is very popular with parents and students and has been experiencing lagged funding over the last few years, due to this popularity. The trust is working very closely with the ESFA and have implemented a number of cost saving measures. The funding has now caught up and will continue to in the following years to return these funds to surplus.

The pension reserve fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. The academy has previously entered into an agreement effective from 01 April 2014 to make additional contributions in addition to normal funding levels and it is anticipated that the payments will be made over 19 years from 01 April 2020. For details of the deficit payment plan see the pensions note.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

	Balance at 01-Sep 2018 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2019 £
Restricted General Funds					
General Annual Grant (GAG)	(579,276)	4,451,810	(4,472,649)	170,515	(429,600)
Pupil Premium	-	104,454	(104,454)	-	-
Other ESFA grants	-	89,591	(89,520)	(71)	-
Exceptional government funding	-	-	-	-	-
LA funded statements	-	59,901	(59,901)	-	-
Other government grants	-	9,676	(9,676)	-	-
Other Educational Institutions	-	65,600	(65,600)	-	-
Trips and productions	-	193,135	(193,135)	-	-
Other educational income	-	31,057	(31,057)	-	-
Other restricted general funds	1,449	3,271	(3,271)	-	1,449
	<u>(577,827)</u>	<u>5,008,495</u>	<u>(5,029,263)</u>	<u>170,444</u>	<u>(428,151)</u>
Restricted Fixed Asset Funds					
Fixed assets used for charitable purposes	10,069,901	-	(522,687)	32,501	9,579,715
ESFA formula capital	19,221	66,564	-	(51,722)	34,063
ESFA condition improvement funds	562,733	1,443,854	(1,021,552)	9,255	994,290
ESFA condition improvement funds	-	-	-	-	-
Other capital donations	-	19,738	-	(19,738)	-
	<u>10,651,855</u>	<u>1,530,156</u>	<u>(1,544,239)</u>	<u>(29,704)</u>	<u>10,608,068</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(1,685,000)	-	(106,000)	(864,000)	(2,655,000)
Total Restricted Funds	<u>8,389,028</u>	<u>6,538,651</u>	<u>(6,679,502)</u>	<u>(723,260)</u>	<u>7,524,917</u>
Unrestricted Funds					
Cinderovens sports facility	10,275	12,104	(12,104)	-	10,275
School fund	45,160	4,601	(558)	-	49,203
Building projects	42,000	-	-	-	42,000
Catering fund	(3,235)	-	-	3,235	-
Other designated funds	65,866	366,005	(213,523)	(143,975)	74,373
General funds	10,897	1,836	-	-	12,733
Total Unrestricted Funds	<u>170,963</u>	<u>384,546</u>	<u>(226,185)</u>	<u>(140,740)</u>	<u>188,584</u>
Total Funds	<u>8,559,991</u>	<u>6,923,197</u>	<u>(6,905,687)</u>	<u>(864,000)</u>	<u>7,713,501</u>

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20. Analysis of Net Assets Between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	9,223,534	9,223,534
Current assets	188,109	121,929	282,640	592,678
Current liabilities	-	(503,457)	-	(503,457)
Non-current liabilities	-	(40,889)	-	(40,889)
Pension scheme liability	-	(2,918,000)	-	(2,918,000)
Total Net Assets	188,109	(3,340,417)	9,506,174	6,353,866

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	9,579,715	9,579,715
Current assets	188,584	208,549	1,028,353	1,425,486
Current liabilities	-	(618,541)	-	(618,541)
Non-current liabilities	-	(18,159)	-	(18,159)
Pension scheme liability	-	(2,655,000)	-	(2,655,000)
Total Net Assets	188,584	(3,083,151)	10,608,068	7,713,501

21. Commitments under operating leases

Operating Leases

At the balance sheet date the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Assets other than land & buildings		
Amounts due within one year	6,496	9,584
Amounts due between one and five years	-	5,117
Amounts due after five years	-	-
	6,496	14,701

Land and property leases

The leasehold land and buildings are subject to lease with The Trustees of Kirkbie Kendal School. The lease term expires on 07 December 2103. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22. Capital Commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	274,983	-
	<u>274,983</u>	<u>-</u>

The Academy entered into contracts relating to the following project:

Condition improvement projects

During the year the academy entered into a contract for the replacement of windows - phase 2. The academy was committed to a possible further cost of £274,983 at the year end. The capital element and repairs element is £nil and £274,983 respectively.

23. Members' Liability

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

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24. 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 Your Pension Service (YPS) for Cumbria County Council. 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 of the LGPS 31 March 2019.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2020	2019
	£	£
Teachers' Pension Scheme	67,482	52,599
Local Government Pension Scheme	27,127	21,259
	<u>94,609</u>	<u>73,858</u>

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2020	2019
	£	£
Teachers' Pension Scheme	593,544	411,122
Local Government Pension Scheme	170,211	139,170
Local Government Pension Scheme deficit recovery	69,450	62,383
LGPS current service cost/contributions adjustment	180,000	55,000
	<u>1,013,205</u>	<u>667,675</u>

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**24. Pensions and Similar Obligations (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £593,544 (2019: £411,122).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

	2020	2019
	£	£
Employer's contributions	239,661	201,553
Employees' contributions	56,465	51,396
Total contributions	<u>296,126</u>	<u>252,949</u>

The agreed contribution rates for future years are 21.4% for employers, and 5.5% to 12.5% for employees depending on pay bands.

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

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £78,200 for 2020/21, £80,100 in 2021/22 and £82,000 in 2022/23.

Impact of McCloud judgement

In 2015, the government introduced reforms to public sector pensions, meaning many public sector workers were moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to members in these schemes amounted to unlawful discrimination. This case is known as McCloud.

The Supreme Court decision in June 2019 not to allow the government leave to appeal, means the difference in treatment needs to be remedied across all relevant schemes, including the Local Government Pension Scheme (LGPS).

The impact of McCloud was taken into account in the FRS102 actuarial valuation and included for disclosure in the trust's 2019/20 financial statements. The impact is included in the past service cost figure as disclosed below.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The principal actuarial assumptions are:

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.80%	3.50%
Rate of increase for pensions in payment / inflation	2.40%	2.10%
Discount rate for scheme liabilities	1.80%	1.80%
Inflation assumption (CPI)	2.30%	2.00%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.6	23.3
Females	25.2	25.9
<i>Retiring in 20 years</i>		
Males	24.2	25.6
Females	27.1	28.6

Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation.

	At 31 August 2020		At 31 August 2019	
	Deficit	Change	Deficit	Change
Discount rate + 0.1%	2,796,000	(122,000)	2,535,000	(120,000)
Discount rate - 0.1%	3,043,000	125,000	2,778,000	123,000
Mortality assumption - 1 year increase	3,083,000	165,000	2,748,000	93,000
Mortality assumption - 1 year decrease	2,758,000	(160,000)	2,564,000	(91,000)
CPI rate + 0.1%	3,042,000	124,000	2,777,000	122,000
CPI rate - 0.1%	2,797,000	(121,000)	2,536,000	(119,000)
Pay growth + 0.1%	2,934,000	16,000	2,679,000	24,000

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equity instruments		
Equities	987,000	1,249,000
Debt instruments		
Government bonds	553,000	466,000
Other bonds	6,000	158,000
Property	157,000	148,000
Cash/liquidity	277,000	119,000
Other	873,000	448,000
Total Market Value of Assets	2,853,000	2,588,000
Present value of scheme liabilities		
Funded	(5,771,000)	(5,243,000)
Unfunded	-	-
Surplus / (deficit) in the scheme	(2,918,000)	(2,655,000)

The actual return on the scheme assets in the year was £8,000 (2019: £184,000).

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current service cost (net of employee contributions)	(363,000)	(257,000)
Net interest cost	(48,000)	(46,000)
Administration expenses	(7,000)	(5,000)
Past service (cost)/gain	(57,000)	-
Gain/(loss) on curtailment	-	-
Gain/(loss) on settlement	-	-
Total operating charge	(475,000)	(308,000)

Other recognised gains and (losses)

	2020 £	2019 £
Remeasurements (liabilities)	(7,000)	(983,000)
Remeasurements (assets)	(21,000)	119,000
Total amount recognised in the SOFA	(28,000)	(864,000)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Changes in the deficit in the year:	2020 £	2019 £
Deficit in scheme at 1 September 2019	2,655,000	1,685,000
Current service cost	363,000	257,000
Interest cost	97,000	110,000
Employer contributions	(240,000)	(202,000)
Past service (cost)/gain	57,000	-
Actuarial (gain)/loss - Remeasurements	28,000	864,000
Administration expenses	7,000	5,000
Interest income	(49,000)	(64,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
Deficit at 31 August 2020	2,918,000	2,655,000
Changes in the present value of defined benefit obligations were as follows:	2020 £	2019 £
At 01 September 2019	(5,243,000)	(3,879,000)
Current service cost	(363,000)	(257,000)
Interest cost	(97,000)	(110,000)
Employee contributions	(56,000)	(51,000)
Past service (cost)/gain	* (57,000)	-
Actuarial gain/(loss) - Remeasurements	(7,000)	(983,000)
Benefits / transfers paid	52,000	37,000
Plan introductions, benefit changes, curtailments and settlements	-	-
Benefit obligation at 31 August 2020	(5,771,000)	(5,243,000)
Changes in the fair value of Academy's share of scheme assets:	2020 £	2019 £
At 01 September 2019	2,588,000	2,194,000
Interest income	49,000	64,000
Administration expenses	(7,000)	(5,000)
Actuarial gain/(loss) - Remeasurements	(21,000)	119,000
Employer contributions	240,000	202,000
Employee contributions	56,000	51,000
Benefits / transfers paid	(52,000)	(37,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
Scheme assets at 31 August 2020	2,853,000	2,588,000

* Past service cost includes:

McCloud impact
GMP indexation

53,000

5,000

58,000

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**25. Related Party Transactions**

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

The following related party transactions took place in the period of account:

Income Related Party Transactions

The trust received a donation totalling £Nil (2019: £1,260) during the year as a contribution towards the costs of the minibus from Fat Media, a company in which Mr D Durnford (a governor of the trust) is the CEO. There were no balances outstanding at the end of the current or previous year.

Expenditure Related Party Transactions

Mrs H Gee, spouse of Mr J Gee, a staff governor, was employed by the academy trust as a member of the finance department up to 31 July 2020. Mrs H Gee's appointment on 26.03.2001 was made in open competition and Mr J Gee was not involved in the decision making process regarding appointment. Mrs H Gee is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

The academy trust employed family members of the senior leadership team during the year.

- The trust undertook proper recruitment procedures where necessary.
- The salaries paid were appropriate to the individual's skills and experience and the salary rates paid in accordance with the academy's pay scales.
- No special treatment is received by the family member as a result of her relationship.
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook.

Related party transactions with staff governors are detailed in an earlier note.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26. Agency Arrangements

The academy acts as an intermediary for the following agency arrangements but has no responsibility for them. The receipts and payments during the period have been excluded from the Statement of Financial Activities. An amount is included in other creditors relating to undistributed funds that are repayable as shown below:

	16-19 ESFA Bursary
Monies brought forward	63,363
Receipts during the year	6,638
Distributions during the year	(571)
Balance carried forward	<u>69,430</u>

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

	16-19 ESFA Bursary
Monies brought forward	57,913
Receipts during the year	6,302
Distributions during the year	(852)
Balance carried forward	<u>63,363</u>

16-19 Bursary Fund

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA.