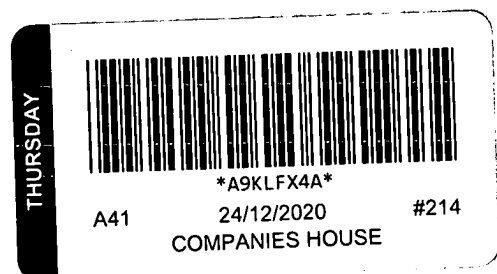


Woodland Middle School Academy

Annual Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
07566455 (England and Wales)



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Reference and administrative information

Members	C Baker A Jefferson (appointed 9 September 2020) C James-Reynolds I Mason (appointed 9 September 2020) A Lees
Trustees	C Baker (Chair - Parent) S Bingley (Parent) (Appointed October 2020) S Cavadias* J Conquest* (Headteacher) L Crawley * (Parent) (Appointed October 2019) M Hague (Parent) (Resigned September 2020) L Harris (Parent) D Hibbert (Community) (Appointed November 2020) A Jefferson* (Community) C James-Reynolds* (Parent) A Lees* (Community) I Mason* (Vice Chair - Parent) S Matias (Staff) (Resigned September 2020) A Langley (Staff) (Appointed October 2020) C Scarr (Staff) (Appointed October 2020) S Payne (Staff) (Resigned September 2020) T Goddard-Mason (Staff)

*Members of the Finance and Premises Committee

Company Secretary A Knudsen

Senior Leadership Team

Headteacher	J Conquest
Deputy Head	S Hardacre
Assistant Head	E Gibson
Senior Teacher	S Matias
Business Manager	A Knudsen

Registered address Malham Close
Flitwick
Bedford
Bedfordshire
MK45 1NP

Company registration number 07566455 (England and Wales)

Reference and administrative information

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank Plc Bedford Branch 81 High St Bedford MK40 1YN
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

Trustees' report 31 August 2020

The trustees of Woodland Middle School Academy ('the School') present their statutory report together with the financial statements 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 financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 35 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Woodland Middle School Academy is a company limited by guarantee and is an exempt charity. The School's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the School.

The trustees act as directors of the charitable company for the purposes of Company law. The charitable company is incorporated as Woodland Middle School Academy.

Members' liability

Each member of the School 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.

Principal activities

Woodland Middle School is a very happy, well-disciplined and hard working 9-13 co-educational Academy, which aims to allow all of its pupils to enjoy success. Pupils are encouraged to think about how to behave within our community through our Values Education programme that instils a sense of moral purpose by exploring values such as respect, tolerance, love, fairness and unity as well as British Values.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities (continued)

We are justifiably proud of the broad and balanced curriculum that Woodland Middle School provides for its pupils, from the specialist facilities and teaching from Year 5 onwards to the extra-curricular provision such as sports teams; our musical instrument tuition; music and drama productions; field trips and countless visitors that come into the school for special events. Our Sports and Arts events are extremely well attended and are highly regarded. We are equally proud of the high academic standard that our pupils reach by the end of Year 8 where successive cohorts have exceedingly high progress from KS2 to KS4 (at our Upper School).

The Academy has achieved the International Values Quality Mark, the Healthy Schools Award, the Primary Science Silver Award and the Secondary Geography Quality Mark. The School is a centre of excellence for Global Learning.

The School has been judged by Ofsted as being 'Good' in its most recent inspection (May 2017). The report is on the School's website. The School has strength in safeguarding, pastoral care, challenge, progress in KS2 core subjects and partnerships with other schools. The School does have areas for further improvement including the use of questioning in class, mathematical reasoning and lowering persistent absenteeism.

Members, Trustees and Governors

The following members were in office at 31 August 2020 and served throughout the period except where shown.

Member	Appointed/Resigned	Appointing body
C James-Reynolds		
A Lees		
S Cavadias		

The following governors/trustees were in office at 31 August 2020 and served throughout the period except where shown.

Trustee	Appointed/Resigned	Appointing body
C Baker		Parent Body
S Cavadias		Community
I Mason		Parent Body
M Hague		Parent Body
L Harris		Parent Body
L Crawley	Appointed Oct 2019	Parent Body
J Conquest		Headteacher
A Jefferson		Community
A Lees		Community
C James-Reynolds		Community
S Matias	Term ended May 2020	Staff
S Payne		Staff
I Goddard-Mason		Staff

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees

All of the School's trustees, except for the Headteacher, are appointed for a four year term. Trustees retiring at the end of their four year term are eligible for re-election at the meeting at which they retire. New trustees are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors'.

Policies and procedures adopted for the induction and training of trustees

The School continues to procure Trustee Support services from Central Bedfordshire Council, the Local Authority. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary but currently includes the support of our school improvement partner, David Bray, who is also an Ofsted inspector.

Organisational structure

The structure of the Academy consists of three senior levels: (i) the Members' group consisting of the Chairs of the committees, Chair and Vice Chair of trustees (ii) the Board of trustees and (iii) the Headteacher and the Senior Leadership Team which includes the Deputy Headteacher, the Assistant Headteacher, a senior teacher, a rotating Head of Year and the School Business Manager. The aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement, sustainability and excellence.

The trustees are responsible for setting the Academy's policies, adopting the Whole School Improvement Plan (WSIP) and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of pupils and staffing.

The Headteacher and the Senior Leadership Team control the School at an executive level, implementing the policies set by the trustees and reporting back to them.

The trustees have established three committees: Finance and Premises Committee, Pay Committee and Staffing Committee. Each committee has its own terms of reference detailing the responsibilities discharged to the committee, to the Headteacher (the Accounting Officer) and to the Senior Leadership Team. The terms of reference and meeting frequency for each committee is reviewed and approved by the trustees annually at the September business meeting.

There is only one regular committee of the trustees: the Finance and Premises Committee.

Groups of trustees may be formally organised outside of the committee structure to support the Academy as required, including to consider:

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

- ◆ Headteacher recruitment
- ◆ Performance management of the Headteacher
- ◆ Pupil discipline
- ◆ Staff discipline
- ◆ Complaints appeal

Arrangements for setting pay and remuneration of key management personnel

The trustees have delegated authority for setting staff remuneration to the Pay Committee (in practice, the Finance and Premises Committee excluding the staff trustees). The Pay Committee will be attended by the Headteacher in an advisory capacity only. The Headteacher will give evidence to the Committee to recommend pay rises and/or freezes. This evidence is largely the success in meeting the targets of the annual appraisal. In the case of the Headteacher's pay this evidence is provided by the Headteacher's performance management group with the external advice of a School Improvement Partner. The terms of reference for the Pay Committee are determined by the Board of trustees. The Pay Committee procedures for determining pay are consistent with the principles of public life: objectivity, openness and accountability. It will ensure that:

- ◆ appropriate differentials are created and maintained between posts of differing responsibility and accountability;
- ◆ its processes are open, transparent and fair. All decisions will be objectively justified; and
- ◆ local benchmarking is taken into account on new appointments and where there has been a significant change in the responsibilities of the serving employee.

The Board of trustees of Woodland Middle School Academy acts with integrity, confidentiality, objectivity and honesty in the best interests of the School; is open about decisions made and action taken, and is prepared to explain its decisions and actions to interested persons.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
One	1.0

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£2,604,159
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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Connected organisations, including related party relationships

Woodland Middle School's Academy conversion was conducted as a chain with Redborne Upper School and Community College with whom we have a 'soft federation'. Almost all Woodland pupils transfer to Redborne at the end of Year 8 as the families of Flitwick favour the pathway within the Redborne Schools' Partnership (RSP).

OBJECTIVES AND ACTIVITIES

Objects and aims

The School vision and Improvement Plan

The trustees monitor the School's strategic aims through the Whole School Improvement Plan (WSIP). The priorities are monitored closely by the trustees by way of Headteacher and Senior Leadership Team reports and through the work of the sub committees.

The School's vision as published in the prospectus:

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

The School vision and Improvement Plan (continued)

Woodland Middle School is where all learners have opportunities to raise their potential not just achieve their potential. A school where expectations for attainment, achievement, well-being and common values are high. All learners are developing a love for learning so that we are all equipped for our common futures.

The key objectives for the forthcoming year are:

1. Ensure that the quality of teaching over time is at least good in all classes
2. Raising progress and attainment at KS2
3. Emphasis on relationships for securing positive behaviour management
4. Strengthening our approach to punctuality and attendance
5. Curriculum Review
6. Consider the roles of the SLT members

Public benefit

In setting the School's objectives and planning its activities, the trustees have had due regard to the Charity Commission's general guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

As previously detailed, the Academy was rated as 'Good' by Ofsted in May 2017 with an 'Outstanding' for pupil personal development and welfare.

There were 629 pupils on roll in the January PLASC census in 2020.

The Academy is committed to continual improvement, which is achieved in a number of ways including: improvement planning, review meetings, continual professional development, lesson observations, appraisal, learning-walks, self-evaluation and data analysis. During the Covid-19 era, there is a greater emphasis on monitoring and evaluating the virtual classrooms.

ACHIEVEMENTS AND PERFORMANCE (continued)

Impact of Covid-19 on the operation of the Academy

The academy was forcibly closed by Her Majesty's Government (HMG), from March 23 2020 as the entire country entered into a National lockdown due to the Covid-19 pandemic. HMG requested that all schools re-open as a Childcare Provisions for the children of keyworkers and also for the most vulnerable pupils (those that have an Education Health Care Plan or a named social worker). The school had approximately 60 pupils on its lockdown register for attending, during the course of a week although in practice rarely had more than 35 pupils in attendance on any one day. The school was staffed by a senior staff, teachers, administrators and teaching assistants on a rota basis, allowing staff to work from home in the main and also care for their own families. The school stayed open during both the Easter and May holidays to support keyworkers and our most vulnerable pupils.

Once schools were given permission to re-open, our academy did so to Year 6 pupils and for pupils most affected by mental health issues, in addition to the children that attended through lockdown. The academy did delay re-opening to the additional pupils for a two week period as the local infection rate (R rate) was higher than most of the country.

During lockdown all teachers created Google Classrooms to provide the materials for remote learning. This style of learning is somewhat dependent on access to the internet and also parental support. The academy supported several families in accessing the internet by providing hardware or 4G access. The school also ensured that all pupils that were entitled to Free School Meals, always received their entitlement, including hampers before HMG organised the national response. Engagement with remote education was extremely varied.

The school staff have remained very healthy and have demonstrated a persevering flexibility in the face of constant changes and adaptations. Examples of change include: altering teaching style; delivery of an adapted curriculum; becoming proficient with online remote education; loss of in-class support from the SEN team; safe distancing from all pupils and colleagues; coping with significant change to behaviour policy; move away from physical marking for feedback and adopting online meetings for staff training, briefing and consultations.

The academy opened fully for all pupils, in line with HMG guidelines from September 2020.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Data Summary 2019-20

Due to the Covid-19 pandemic the 2020 SATs and all other school assessments in the summer term were unable to take place. This means that the school was unable to calculate the progress made by each individual pupil and create aggregated progress data. This means that there is no official KS2 attainment or KS1-2 progress data. Neither is there any exit data to assess the progress of the departing Year 8 cohort. We have been able to assess pupils after their return to school (Sept 2020) to ascertain where each cohort is, in terms of progress, in English and Maths, using GL Assessments. This assessment compares where our pupils are to a huge National (pre-Covid-19) data set and allows us to see how far behind the progress line our cohort might be.

GL Assessment analysis - Sept 2020 – only measure of progress from 2019-2020

This year our cohort has entered the school in line with national (all schools) in English and

Entry:	2020		2019		2018	
	School	National Middle Schools GL	School	National Middle Schools GL	School	National Middle Schools GL
English	101.5	99.8	104.5	99.8	102.9	99.8
Maths	92.2	95.8	94.3	95.8	96.4	95.8
Exit:	2020		2019		2018	
	School	National Middle Schools GL	School	National Middle Schools GL	School	National Middle Schools GL
English	N/A	101.0	108.1	101.0	106.3	101.0
Maths	N/A	101.8	110.7	101.8	108.9	101.8

This year our cohort has entered the school in line with national (all schools) in English and significantly lower in maths. They exit the School (2019 cohort) significantly above national (all schools) and national middle schools.

The 2019 exit cohort were the 1st for whom we could track GL data from entry to exit. AS we have no end of year data for the cohort leaving in 2020, this is the most up to date from entry to exit.

Entry:	Entry 2015	2016	2017	2018	Exit 2019
English	102.5	104.6	106.1	108.9	108.1
Maths	95.3	104.7	102.2	107.6	110.7

We are confident that our data shows that children make good progress in both English and Maths (Maths making outstanding progress) across the four years at Woodland Middle School.

ACHIEVEMENTS AND PERFORMANCE (continued)

Going concern

After consideration of the School's financial position, its financial plans, (including projected pupil numbers), the demand for places and the broader environment, the trustees have a reasonable expectation that the School has and will continue to have adequate resources to enable it to be a sustainable going concern for the foreseeable future. For this reason the School continues to adopt the going concern principle in preparing its financial statements. As the pandemic continues, much remains unknown about what the coming months may hold for schools across the country. Remaining alert to concerns and how these can be managed will help us to protect the school's position as much as possible in these uncertain times. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

FINANCIAL REVIEW

Financial report for the year

The results for the period are shown on page 26.

The majority of the School's income was received via the Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted ESFA Fund, the use of which is restricted to the School's charitable activities and its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the statement of financial activities on page 26. ESFA revenue and other restricted funds income for the year was £3,022,000 (2019 - £2,835,000); expenditure against these funds was £3,053,000 (2019 - £2,871,000), giving a deficit of £31,000 (2019 - £36,000) before transfers and actuarial losses.

Income received into the unrestricted fund was £177,000 (2019 - £260,000). Expenditure against the fund was £93,000 (2019 - £168,000) for the year, giving a surplus of £84,000 (2019 - £92,000) before transfers.

The restricted fixed assets fund received capital grants totalling £91,000 (2019 - £53,000). The expenditure against the fund in the year was £253,000 (2019 - £241,000). The School's assets were predominantly used for providing education to our pupils. Some assets were let to the local community for sports and activities for Middle School aged pupils and their families. The value of the fund at 31 August 2020 was £3,498,000 (2019 - £3,619,000) comprising the net book value of the School's tangible fixed assets at the year end.

Cash in hand at 31 August 2020 was £412,000 (2019 - £402,000).

The School's share of the LGPS defined benefit pension scheme at 31 August 2020 was a deficit of £1,502,000 (2019 - £913,000). On the balance sheet, this is offset against the School's ESFA restricted fund.

Total funds as at 31 August 2019 were £2,401,000 (2019 - £3,031,000) comprised of £405,000 (2019 - £321,000) and £3,498,000 (2019 - £3,619,000) in unrestricted general funds and restricted fixed assets funds respectively and a deficit of £1,502,000 (2019 - £913,000) in restricted general funds relating to the pension reserve.

FINANCIAL REVIEW (continued)

Reserves policy

The trustees have reviewed the requirement for our free reserves, which are those unrestricted funds not invested in fixed assets, designated for specific purpose or otherwise committed. The trustees consider that, since operational finance is available, free reserves should be 8% of school budget share income i.e. £217,000 as a minimum. This is retained within the Trust for unforeseen expenditure. Trustees have decided to retain a free reserve in excess of the 8% required by the reserve policy.

This is because the current government funding policy for education, is causing significant financial pressure and funds need to be available to cover the potential costs of unforeseen expenditure and to provide some financial flexibility to manage and reduction in resources, effectively. In addition the government funding position is only clear for the coming financial year with no certainty after that.

The School's free reserves as at 31 August 2020 were £405,000 (2019 - £321,000), which is in line with the reserves policy.

The School had a pension scheme liability of £1,502,000 as at 31 August 2020 (2019 - £913,000) which is included in the restricted reserves. This disclosure does not mean that the liability is already committed and the funds are no longer available to the trustees to further the School's objectives. Parliament has agreed, at the request of the Secretary of State for Education, in the event of an academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. In the short term, the cash flow impact of having a pension scheme liability is that employer contributions may increase in order to reduce the liability.

Investment policy

The School has no investments currently, except for deposits in interest bearing accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks identified by the trustees include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Risk management

The objective of the School's risk management procedures is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The trustees have a comprehensive risk management process to identify and monitor the risks faced by the School.

The financial risks considered include: economic/financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/statutory requirements.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk management (continued)

The trustees have implemented a number of systems to assess and reduce the risks that the School faces, especially in operational areas in relation to teaching, health and safety, (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of pupils around the school site and internal financial controls to minimise financial risk.

The principal risks and uncertainties facing the School are as follows:

Financial – the School has considerable reliance on continued Government funding through the DfE. In the last year, 90.1% of the School's income resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Safeguarding and child protection – the trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing – the success of the School is reliant upon its quality of its staff and so the trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The School have entered into a services agreement for termly finance health checks to be carried out, including checks on financial systems and records. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

Covid 19 – The school has carried out its own coronavirus risk assessments and consulted with staff in order to formulate a bespoke action plan. Risk assessments and action plans, are kept under regular review and where circumstances negatively impact on individual employees (either physical or mental health); an individual risk assessment is completed to help identify appropriate adjustments.

The School has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

Adequate insurance has been arranged where significant financial risk remains. The School has an effective system of internal financial control described elsewhere.

The trustees examine the financial health formally every term, reviewing performance against budget and overall expenditure by means of regular updates at the full trustee and finance committee meetings. The trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

FUNDRAISING

The Academy carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The School is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Academy's complaints procedure.

FUTURE ACTIVITIES AND PLANS

Woodland Middle School Academy strives to continually improve levels of achievement for all pupils, equipping them with skills, knowledge and character to succeed at Upper School and maintain our pyramid's outstanding KS2-4 Value Added progress.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Academy believes that developing the whole child is critical to improving levels of achievement, which is why so much importance is placed on our Values-based approach and our extensive enrichment and extra-curricular opportunities. The Academy strives to provide exceptional behaviour, pastoral and attendance support to its pupils.

AUDITOR

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the School'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.

Trustees' report was approved by order of the members of the board of trustees, as company directors, and signed on its behalf by:



Catherine Baker
Chair



Jeff Conquest
Headteacher and Accounting Officer

Date: 9 December 2020

Governance statement 31 August 2020

Scope of responsibility

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

The trustees have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the trustees any material weaknesses or breakdowns in internal control.

Governance

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

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The trustees formally met 7 times during the period. Attendance during the period at meetings of the governing body was as follows:

Governor	Number of meetings attended	Out of a possible
C Baker	7	7
S Cavadias	7	7
I Mason	7	7
M Hague	6	7
L Harris	5	7
J Conquest	7	7
L Crawley	3	6
A Jefferson	6	7
A Lees	6	7
C James-Reynolds	7	7
S Matias	4	4
S Payne	7	7
T Goddard-Mason	1	7

The Finance and Premises Committee is a sub-committee of the board of trustees. Its responsibilities include: initial review and authorisation of the annual budget, the regular monitoring of actual income and expenditure against budgets ensuring the annual financial statements are in accordance with statutory requirements and reviewing reports on the effectiveness of financial procedures and controls.

Governance statement 31 August 2020

Governance (continued)

The committee formally met 4 times during the period. Attendance during the period at meetings of the committee was as follows:

Committee member	Number of meetings attended	Out of a possible
S Cavadias	4	4
I Mason	2	4
J Conquest	3	4
L Crawley	3	3
A Jefferson	4	4
A Lees	4	4
C James-Reynolds	1	4

Governance reviews

Governance effectiveness has been kept under review with a focus on both skills and the roles and responsibilities of the Governing Body. The Chair successfully completed the Leading Governance programme in the Autumn term and has sought to apply this knowledge to enable effective Governance. One key area of development has been the shift to a more strategic focus, which this year meant dedicating one of our formal meetings to learn lessons from a recent MAT development and to identify factors that would be of critical importance to Woodland Middle School Academy should the need or opportunity to engage in a MAT arise in future. Trustee training has been used well - primarily that supplied by Central Beds, as well as members accessing on line training via the NGA (National Governance Association), Buzzacott LLP and the webinar programme provided by Governors for Schools.

Again this year the trustees have employed the support of a current Ofsted inspector to act as School Improvement Partner (SIP). The SIP has visited the school on four occasions to monitor the School in respect of standards, priorities for improvement and governance. The SIP has overview of the work of the trustees through discussion with the Head Teacher and Chair of trustees, through monitoring the School's improvement plan and evaluating the School's self-evaluation.

One new parent governor was appointed during the year. Since the lockdown in March, all Governor meetings were held by video meeting to ensure continuity of Governance. The meeting schedule was amended to provide governance around key decisions being made on opening the school and the risk assessment of the arrangements in place.

Review of value for Money

The guidance of PPN 02 and 04 only applied to our catering contract as all other services covered continued, as our school site remained open to key workers' children. We enabled our catering contractor to use our school as a hub serving other local schools, where staff had been placed on furlough, thereby enabling our pupil and staff access to a hot meal choice throughout the lockdown period and the school only paying for actual meals received.

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy 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.

Review of value for Money (continued)

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the 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 Trust has delivered and improved value for money during the year by:

- ◆ Board of trustees oversight of the financial management of the budget, regularly reviewing the financial position. Approving the budget balancing the income against expenditure.
- ◆ Driving down costs through better procurement and negotiation and our Business Manager attends termly meetings with other academies/schools exchanging benchmarking, suppliers and contract information, significantly reducing the cost of several services contracts.
- ◆ Targeting improvement with robust tracking systems for monitoring achievement to support and extend the learning of the pupils.
- ◆ Reviewing operations to maximise use of resources.

The purpose of the system of internal control

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

Capacity to handle risk

The trustees have reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees are of the view that there is an ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees.

The risk and control framework

As the Trust uses different firms for internal and external audit services, these arrangements are not affected by the newly revised ethical standard.

The risk and control framework (continued)

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

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

The trustees have considered the need for a specific internal audit function and has obtained the services of an external consultant. The external consultant's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. The external consultant carries out checks on a termly basis, and reports to the trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

Review of effectiveness

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

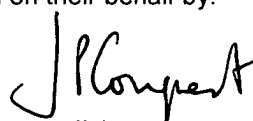
- ◆ the external consultant's reports on the operation of the systems of control;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the Senior Leadership Team within the School who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the trustees and signed on their behalf by:



Catherine Baker
Chair



Jeff Conquest
Headteacher and Accounting Officer

Approved on: 9 December 2020

Statement on regularity, propriety and compliance 31 August 2020

As Accounting Officer of Woodland Middle School Academy, I have considered my responsibility to notify the School's trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State. 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 School's trustees are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School'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.



Jeff Conquest
Accounting Officer

Date: 9 December 2020

Statement of trustees' responsibilities 31 August 2020

The trustees (who are also the directors of the School for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



Catherine Baker
Chair

Date: 9 December 2020

Independent auditor's report 31 August 2020

Independent auditor's report on the financial statements to the members of Woodland Middle School Academy

Opinion

We have audited the financial statements of Woodland Middle School Academy (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP FRS 102) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS 102 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

Independent auditor's report 31 August 2020

Conclusions relating to going concern (continued)

- ◆ 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 (covers the reference and administrative details, the report of the trustees and strategic report and the governance statement)

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ The information given in the trustees' report, which is also the directors' report for the purpose of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ The trustees' report, which is also the director's report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Independent auditor's report 31 August 2020

Responsibilities of trustees

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

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


Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Shachi Blakemore (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 18 December 2020

Independent reporting accountant's report on regularity 31 August 2020

Independent reporting accountant's assurance report on regularity to Woodland Middle School Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter 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 Woodland Middle School during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Woodland Middle School Academy's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Woodland Middle School Academy'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 from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

Independent reporting accountant's report on regularity 31 August 2020

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 18 December 2020

Statement of financial activities (including income and expenditure account)
Year ended 31 August 2020

	Notes	Un- restricted general fund £'000	Restricted funds		2020 Total funds £'000	2019 Total funds £'000
			General funds £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	2	16	—	91	107	82
Charitable activities						
· Funding for the Academy's educational operations	3	—	3,022	—	3,022	2,835
Other trading activities	4	161	—	—	161	231
Total income		177	3,022	91	3,290	3,148
Expenditure on:						
Raising funds		2	—	—	2	9
Charitable activities						
· Academy's educational operations	6	91	3,053	253	3,397	3,271
Total expenditure	5	93	3,053	253	3,399	3,280
Net income (expenditure) before transfers		84	(31)	(162)	(109)	(132)
Transfers between funds	15	—	(41)	41	—	—
Net income (expenditure)		84	(72)	(121)	(109)	(132)
Other recognised (losses) gains						
Actuarial (losses) on defined benefit pension scheme	19	—	(521)	—	(521)	(229)
Net movement in funds		84	(593)	(121)	(630)	(361)
Reconciliation of funds						
Fund balances brought forward at 1 September		321	(909)	3,619	3,031	3,392
Fund balances carried forward at 31 August		405	(1,502)	3,498	2,401	3,031

All of the School's activities derived from continuing operations in the above two financial periods.

Balance sheet 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible fixed assets	11		3,498		3,619
Current assets					
Debtors	12	77		92	
Stock		3		4	
Cash at bank and in hand		412		402	
		<u>492</u>		<u>498</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(76)		(153)	
Net current assets			<u>416</u>		<u>345</u>
Total assets less current liabilities			<u>3,914</u>		<u>3,964</u>
Creditors: amounts falling due after more than one year	14		(11)		(20)
Net assets excluding pension scheme liability			<u>3,903</u>		<u>3,944</u>
Pension scheme liability	19		(1,502)		(913)
Total net assets			<u>2,401</u>		<u>3,031</u>
Restricted funds					
Fixed assets fund	15		3,498		3,619
Pension reserve	15		(1,502)		(913)
Other restricted funds	15		—		4
Total restricted funds			<u>1,996</u>		<u>2,710</u>
Unrestricted income funds					
General fund	15		405		321
Total funds			<u>2,401</u>		<u>3,031</u>

The financial statements on page 26 to 49 were approved by the trustees, authorised for issue and are signed on their behalf by:



Catherine Baker
Chair

Approved on: 9 December 2020

Woodland Middle School Academy
Company Limited by Guarantee
Registration Number: 07566455 (England and Wales)

Statement of cash flows Year ended 31 August 2020

		2020 £'000	2019 £'000
Net cash flows from operating activities			
Net cash provided by (used in) operating activities	A	51	213
Cash flows from investing activities	B	(41)	(98)
Change in cash and cash equivalents in the year		<u>10</u>	<u>115</u>
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September		402	287
Cash and cash equivalents at 31 August	C	<u>412</u>	<u>402</u>

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

	2020 £'000	2019 £'000
Net expenditure for the year (as per the statement of financial activities)	(109)	(132)
Adjusted for:		
Depreciation (note 11)	253	241
Capital grants from DfE and other capital income	(91)	(53)
Defined benefit pension scheme cost less contributions payable (note 19)	52	95
Defined benefit pension scheme finance cost (note 19)	16	15
Decrease in stock	1	4
Decrease (increase) in debtors	15	203
(Decrease) increase in creditors	(86)	(160)
Net cash provided by (used in) operating activities	<u>51</u>	<u>213</u>

B Cash flows from investing activities

	2020 £'000	2019 £'000
Purchase of tangible fixed assets	(132)	(151)
Capital grants from DfE	91	53
Net cash used in investing activities	<u>(41)</u>	<u>(98)</u>

C Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	412	402
Total cash and cash equivalents	<u>412</u>	<u>402</u>

Statement of cash flows Year ended 31 August 2020

D Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash	402	10	412
Total	402	10	412

Principal accounting policies 31 August 2020

Statement of accounting policies

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

Basis of preparation

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

Woodland Middle School Academy meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in Sterling to the nearest thousand Pounds.

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. Covid-19 will continue to cause uncertainty in funding and expenditure for the foreseeable future. The trust will be prioritising providing support to the school leaders, to allow them to continue with operational matters. Regular communication back from school leaders will ensure that the trustees can retain a strategic overview of the situation and the school.

Income

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

Grants

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

Principal accounting policies 31 August 2020

Income (continued)

Grants (continued)

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

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

Donations

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

Other income

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

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.

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.

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.

All resources expended are stated net of recoverable VAT.

Principal accounting policies 31 August 2020

Tangible Fixed Assets

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

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

The leasehold land and buildings value above relates to the school site at Malham Close. As the site is designated for educational purposes only, the land has no open market value and hence the value in these financial statements relates to the school buildings only, which are included at a depreciated replacement cost valuation.

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

Leasehold buildings	4% per annum
Plant and machinery	10-20% per annum
Fixtures, fittings and equipment	20% per annum
Computer equipment and software	33% per annum

Depreciation is charged from the month of acquisition.

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.

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.

Leased assets

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

Principal accounting policies 31 August 2020

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 notes 13 and 14. 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.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Principal accounting policies 31 August 2020

Pensions benefits (continued)

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

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

Fund accounting

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

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

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Central Bedfordshire Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Principal accounting policies 31 August 2020

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions (continued)

- ◆ 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 note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- ◆ Estimates of the useful economic life of tangible fixed assets for the purposes of calculating depreciation are as described in the accounting policy for tangible fixed assets above.

Notes to the financial statements Year ended 31 August 2020

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the School 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 School has not exceeded these limits during the year ended 31 August 2020.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	—	91	91	53
Other donations	16	—	16	29
	16	91	107	82

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Capital grants	—	53	53
Other donations	29	—	29
	29	53	82

3 Funding for the Academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE / ESFA grants				
General Annual Grant (GAG)	—	2,559	2,559	2,499
Other DfE / ESFA	—	288	288	179
	—	2,847	2,847	2,678
Other Government grants				
Local authority grants	—	175	175	157
	—	175	175	157
Other income from the academy's educational operations				
2020 Total funds	—	3,022	3,022	2,835

Notes to the financial statements Year ended 31 August 2020

3 Funding for the Academy's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
DfE / ESFA grants			
General Annual Grant (GAG)	—	2,499	2,499
Other DfE / ESFA	—	179	179
	—	2,678	2,678
Other Government grants			
Local authority grants	—	157	157
	—	157	157
	—	2,835	2,835

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	13	—	13	28
Trip income	128	—	128	181
Miscellaneous income	20	—	20	22
	161	—	161	231

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Hire of facilities	28	—	28
Trip income	181	—	181
Miscellaneous income	22	—	22
	231	—	231

5 Expenditure

	Staff costs (note 8) £'000	Premises £'000	Non pay expenditure Other costs £'000	2020 Total funds £'000	2019 Total funds £'000
Expenditure on raising funds					
Direct costs	—	—	2	2	7
Support costs	—	—	—	—	2
Academy's educational operations (note 6)					
Direct costs	2,237	236	—	2,473	2,294
Allocated support costs	366	400	158	924	977
	2,603	652	160	3,399	3,280

Notes to the financial statements Year ended 31 August 2020

5 Expenditure (continued)

	Staff costs (note 8) £'000	Non pay expenditure Premises £'000	Other costs £'000	2019 Total funds £'000
<i>Expenditure on raising funds</i>				
. Direct costs	—	—	7	7
. Support costs	1	1	—	2
<i>Academy's educational operations (note 6)</i>				
. Direct costs	1,981	—	313	2,294
. Allocated support costs	392	369	216	977
	<u>2,374</u>	<u>370</u>	<u>536</u>	<u>3,280</u>

	2020 £	2019 £
Net (expenditure) income for the year includes:		
Operating leases	5	5
Depreciation	253	241
Fees payable to auditor:		
. Audit	11	10
. Other services	4	6

6 Charitable activities - academy's educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	2,473	2,294
Support costs	924	977
	<u>3,397</u>	<u>3,271</u>

	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	366	392
Depreciation	253	240
Technology costs	40	68
Premises costs	147	129
Legal costs – other	1	1
Other support costs	101	130
Governance costs	16	17
Total support costs	<u>924</u>	<u>977</u>

Notes to the financial statements Year ended 31 August 2020

7 Comparative information

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

	Un-restricted general fund £'000	Restricted funds		2019 Total funds £'000
		General funds £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	29	—	53	82
Charitable activities				
Funding for the Academy's educational operations	—	2,835	—	2,835
Other trading activities	231	—	—	231
Total income	260	2,835	53	3,148
Expenditure on:				
Raising funds	9	—	—	9
Charitable activities				
Academy's educational operations	159	2,871	241	3,271
Total expenditure	168	2,871	241	3,280
Net income (expenditure) before transfers	92	(36)	(188)	(132)
Transfers between funds	(28)	(70)	98	—
Net income (expenditure)	64	(106)	(90)	(132)
Other recognised (losses) gains				
Actuarial (losses) gains on defined benefit pension scheme	—	(229)	—	(229)
Net movement in funds	64	(335)	(90)	(361)
Reconciliation of funds				
Fund balances brought forward at 1 September	257	(574)	3,709	3,392
Fund balances carried forward at 31 August	321	(909)	3,619	3,031

8 Staff

a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	1,946	1,810
Social security costs	180	165
Pension costs	474	385
	2,600	2,360
Supply teacher costs	3	14
	2,603	2,374

b) Staff numbers

The average number of persons (including the senior management team) employed by the academy trust during the year ended 31 August 2020 (on a headcount basis) was as follows:

Notes to the financial statements Year ended 31 August 2020

8 Staff (continued)

b) Staff numbers (continued)

Charitable activities	2020 No.	2019 No.
Teachers	32	33
Administration and support	56	55
Management	5	5
	93	93

c) Higher paid staff

The number of employees whose annual emoluments fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	1	—
£90,001 - £100,000	1	1

The above employee participated in the Teachers' Pension Scheme.

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the Senior Leadership 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 £425,503 (2019 - £393,000).

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

	2020 £	2019 £
J Conquest, Headteacher		
· Remuneration	90k - 95k	90k - 95k
· Employer's pension contributions	10k - 15k	10k - 15k
S Matias, Staff trustee		
· Remuneration	50k - 55k	50k - 55k
· Employer's pension contributions	5k - 10k	5k - 10k
T Goddard-Mason, Staff trustee		
· Remuneration	40k - 45k	40k - 45k
· Employer's pension contributions	10k - 15k	5k - 10k
S Payne, Staff trustee		
· Remuneration	35k - 40k	30k - 35k
· Employer's pension contributions	5k - 10k	5k - 10k

During the year ended 31 August 2020, travel and subsistence expenses of £100 were reimbursed to 1 trustee (2019 - £240 to 3 trustees).

Other related party transactions involving the trustees are set out in note 20.

Notes to the financial statements Year ended 31 August 2020

10 Trustees' and Officers' insurance

In accordance with normal commercial practice the School has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall insurance cost.

11 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Plant and Machinery £'000	Total funds £'000
Cost/valuation					
At 1 September 2019	4,811	126	169	283	5,389
Additions	112	4	4	12	132
At 31 August 2020	4,923	130	173	295	5,521
Depreciation					
At 1 September 2019	1,347	100	137	186	1,770
Charge in period	194	12	20	27	253
At 31 August 2020	1,541	112	157	213	2,023
Net book value					
At 31 August 2020	3,382	18	16	82	3,498
At 31 August 2019	3,464	26	32	97	3,619

The leasehold land and buildings value above relates to the school site at Malham Close. As the site is designated for educational purposes only, the land has no open market value and hence the value in these financial statements relates to the school buildings only, which are included at a depreciated replacement cost valuation.

12 Debtors

	2020 £'000	2019 £'000
VAT recoverable	1	14
Other debtors	38	21
Prepayments and accrued income	38	57
	77	92

Notes to the financial statements Year ended 31 August 2020

13 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Other creditors	8	7
Accruals and deferred income	68	146
	76	153
Deferred income		
Deferred Income at 1 September	68	69
Released during the year	(68)	(69)
Resources deferred in the year	36	68
Deferred Income at 31 August	36	68

Deferred income includes £nil (2019 - £46,000) relating to income received in the year for school trips that are due to take place in the year ending 31 August 2020. Additionally £25,000 (2019 - £13,000) relates to deferred revenue and capital grants, which are to be spent in future years.

14 Creditors: amounts falling due in greater than one year

	2020 £'000	2019 £'000
Other creditors	11	20
	11	20

Notes to the financial statements Year ended 31 August 2020

15 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	2,559	(2,518)	(41)	—
. Pupil premium	—	123	(123)	—	—
. Other grants	4	340	(344)	—	—
. Pension reserve	(913)	—	(68)	(521)	(1,502)
	(909)	3,022	(3,053)	(562)	(1,502)
Restricted fixed asset funds					
. Transfer on conversion	2,527	—	(152)	—	2,375
. DfE/ESFA capital grants	403	91	(37)	—	457
. Capital expenditure from GAG	142	—	(54)	41	129
. Capital grants for capital maintenance	547	—	(10)	—	537
	3,619	91	(253)	41	3,498
Total restricted funds	2,710	3,113	(3,306)	(521)	1,996
Unrestricted funds					
. General funds	321	177	(93)	—	405
Total unrestricted funds	321	177	(93)	—	405
Total funds	3,031	3,290	(3,399)	(521)	2,401

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

ESFA revenue grant fund and other restricted funds

These grants relate to the academy trust's development and operational activities.

General Annual Grant (GAG)

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 2019. Note 1 discloses whether the limit was exceeded.

Fixed assets fund

This fund represents the tangible fixed assets of the academy trust including unspent grants received to fund works of a capital nature. The transfer between funds relates to fixed assets purchased using funds from the General Annual Grant.

Pension reserve

The pension reserve, a deficit of £1,502,000 (2019 - £913,000), relates to the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

Notes to the financial statements Year ended 31 August 2020

15 Funds (continued)

Fund transfers

Transfers of £41,000 from restricted general funds to restricted fixed asset funds represent capital expenditure funded via other reserve balances.

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	2,499	(2,429)	(70)	—
. Pupil premium	—	106	(106)	—	—
. Other grants	—	230	(226)	—	4
. Pension reserve	(574)	—	(110)	(229)	(913)
	<u>(574)</u>	<u>2,835</u>	<u>(2,871)</u>	<u>(299)</u>	<u>(909)</u>
Restricted fixed asset funds					
. Transfer on conversion	2,679	—	(152)	—	2,527
. DfE/ESFA capital grants	406	33	(36)	—	403
. Capital expenditure from GAG	86	—	(42)	98	142
. Capital grants for capital maintenance	538	20	(11)	—	547
	<u>3,709</u>	<u>53</u>	<u>(241)</u>	<u>98</u>	<u>3,619</u>
Total restricted funds	<u>3,135</u>	<u>2,888</u>	<u>(3,112)</u>	<u>(201)</u>	<u>2,710</u>
Unrestricted funds					
. General funds	257	260	(168)	(28)	321
Total unrestricted funds	<u>257</u>	<u>260</u>	<u>(168)</u>	<u>(28)</u>	<u>321</u>
Total funds	<u>3,392</u>	<u>3,148</u>	<u>(3,280)</u>	<u>(229)</u>	<u>3,031</u>

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000	Total 2019 £'000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	—	3,498	3,498	3,619
Current assets	405	87	—	492	498
Current liabilities	—	(76)	—	(76)	(153)
Non-current liabilities	—	(11)	—	(11)	(20)
Pension scheme liability	—	(1,502)	—	(1,502)	(913)
Total net assets	<u>405</u>	<u>(1,502)</u>	<u>3,498</u>	<u>2,401</u>	<u>3,031</u>

Notes to the financial statements Year ended 31 August 2020

16 Analysis of net assets between funds (continued)

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	—	—	3,619	3,619
Current assets	321	177	—	498
Current liabilities	—	(153)	—	(153)
Non-current liabilities	—	(20)	—	(20)
Pension scheme liability	—	(913)	—	(913)
Total net assets	321	(909)	3,619	3,031

17 Commitments under operating leases

Operating leases

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

	2020 £'000	2019 £'000
Amounts due within one year	1	5
Amounts due between one and five years	—	1
	1	6

18 Members' Liability

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

19 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 Bedford Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

19 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £310,000 (2019 - £194,000).

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

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

Notes to the financial statements Year ended 31 August 2020

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £213,000 (2019 - £126,000), of which employer's contributions totalled £180,000 (2019 - £96,000) and employees' contributions totalled £33,000 (2019 - £30,000). The agreed contribution rates for future years are 19.9% for employers and between 5.5% and 12.5% for employees.

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

	At 31 August 2020	At 31 August 2019
Principal actuarial assumptions		
Rate of increase in salaries	3.5%	2.5%
Rate of increase for pensions in payment / inflation	2.25%	2.2%
Discount rate for scheme liabilities	1.6%	1.9%
Inflation assumption (CPI)	1.45%	2.2%
Commutation of pensions to lump sums – in respect of pre-April 2008 service	50%	50%
Commutation of pensions to lump sums – in respect of post-April 2008 service	75%	75%

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	22.2	20.7
Females	24.3	23.2
<i>Retiring in 20 years</i>		
Males	23.4	21.7
Females	26.1	24.7

The approximate increase in the Academy's overall pension liability as a result in changes in the principal actuarial assumptions would be as follows:

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate (0.1% decrease)	86	49
Salary increase rate (0.1% increase)	8	7
Pension increase rate (0.1% increase)	77	42

Notes to the financial statements Year ended 31 August 2020

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	1,259	927
Gilts	298	208
Property	175	126
Cash and other liquid assets	111	62
Total market value of assets	1,843	1,323
Present value of scheme liabilities		
Funded	(3,345)	(2,236)
Deficit in the scheme	(1,502)	(913)

	2020 £'000	2019 £'000
Amounts recognised in statement of financial activities		
Current service cost	231	181
Past service cost	—	9
Interest income	(26)	(34)
Interest cost	42	49
Administration expenses	1	1
Total amount recognised in the SOFA	248	206

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September	2,236	1,727
Current service cost	231	181
Past service cost	—	9
Interest cost	42	49
Employee contributions	33	30
Actuarial loss/(gain)	804	229
Benefits paid	(1)	11
At 31 August	3,345	2,236

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September	1,323	1,153
Interest income	26	34
Actuarial gain	283	—
Employer contributions	180	96
Employee contributions	33	30
Benefits paid	(1)	11
Administration expenses	(1)	(1)
At 31 August	1,843	1,323

20 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The academy trust did not enter into any related party transactions in the year (2019 – none).