Company Registration Number: 07654127 (England & Wales)

HURSTMERE SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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HURSTMERE SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr H Douglas
Mrs E Allen
Mr R Pavey
Mrs D Halton (Resigned 16 December 2019)
Mr D Chatt (Appointed 16 December 2019)

Governors

Mrs E Allen, Chair
Mrs L Bennett, Principal & Accounting Officer (Appointed 1 September 2019)
Mr T Baston, Staff Governor
Mr J Baker (Appointed 12 February 2020)
Mr J Beament, Staff Governor (Appointed 2 December 2019)
Mr P Bland (Appointed 1 September 2019)
Mr P Bleksley, Associate Governor (Appointed 1 January 2020)
Ms C Bonner
Mr D Chatt
Mr J Cutts (Resigned 31 January 2020)
Mr M Leech (Appointed 1 September 2019)
Ms L Notton, Staff Governor (Resigned 30 September 2020)
Mr N P Osborne
Mr A Powers (Appointed 12 March 2020)
Mr P Walker

Company registered number 07654127

Company name Hurstmere School

Principal and registered office Hurst Road
Sidcup
Kent
DA15 9AW

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

Company secretary	Mrs C Murphy
School Business Manager	Mr M Hawkins (to 31/7/2020) Mrs L Ebers (from 1/10/2020)
Principal Finance Officer	Mrs I Cunningham
Senior management team	Mrs L Bennett, Principal Mrs L Davis, Vice Principal Mr K Wadsworth, Assistant Principal Mrs S Chakarto, Assistant Principal Mr P Bolter, Associate Senior Leader Miss S Gallagher, Associate Senior Leader Mr P Brown, Vice Principal Mr M Wright, Associate Senior Leader
Independent auditor	UHY Kent LLP t/a UHY Hacker Young Thames House Roman Square Sittingbourne Kent ME10 4BJ
Bankers	Lloyds PLC 130 Broadway Bexleyheath Kent DA6 7DP
Accountants	Bayar Hughes & Co 4 Green Lane Business Park 238 Green Lane New Eltham London SE9 3TL

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The principal activity of the company is the operation of a stated-funded Academy; Hurstmere School, providing a state education for boys aged 11-16. It has a student capacity of 1065 and had a roll of 1047 in the school census in January 2020.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Governors of Hurstmere School are also the directors of the charitable company for the purposes of company law and the trustees for the purposes of charity law.

The charitable company is known as Hurstmere School.

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

b. Members' liability

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

c. Governors' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £214 (2019:£265).

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The Articles of Association stipulate that the number of Governors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.
The Governing Body comprises of up to 14 members. Subject to Articles 48-49 (which includes, for the avoidance of doubt Article 48A) and 64, the Academy Trust shall have the following Governors:
a) Up to 14 Governors, appointed under Article 50;
b) the Principal;
c) up to 4 Staff Governors, elected under Article 58A;
d) not less than 2 Parent Governors appointed under Articles 53-58;
e) any additional Governors, if appointed under Article 62, 62A or 68A; and
f) any further Governors, if appointed under Article 63 or Article 68A.

The term of office for any Governor shall be four years: save that this time limit shall not apply to the Principal and any Staff Governor shall only hold office for so long as he/she continues to be employed as a teacher or member of support staff as the case may be. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

When seeking new Governors the Chairman assesses the skill sets of the current members and considers what qualities and experience would enhance the team for the benefit of the Academy.

e. Policies adopted for the induction and training of Governors

The Academy holds an SLA with Bexley Council to provide governor services. The Clerk to the Governors is Mrs V Churchill. All new governors are provided with a full induction, including a tour of the school. Training is geared to each individual governor's role and responsibility and all appropriate training is logged and sourced from varied approved providers.

Structure, governance and management (continued)

f. Organisational structure

Apart from several other specific roles the Governors mainly support the Academy as members of two Committees and two Sub-Committees which deal with policies, developments and assessment of four different areas of the Academy's functioning. These committees are:

Committees
1) Teaching and Learning Committee
2) Finance, Audit and General Purpose Committee

Sub Committees
1) Pay Committee
2) Policies Committee

The Governors have powers delegated to them from the full Governing Body to make decisions on behalf of the Academy within the remit of the committee's sphere of concern. The committees meet each term and their work is reported to the full Governing Body in a meeting towards the end of each term. All policies and budget decisions are decided upon by agreement of the Governing Body.

The day to day management of the school is the responsibility of the Principal and her Senior Management Team.

The Principal acts as the Accounting Officer. She is a member of the Finance, Audit and General Purpose Committee, one Vice Principal is attached to the Teaching and Learning Committee and the School Business Manager attends the Finance, Audit and General Purpose Committee.

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

The Governors adopt a Pay Policy under the jurisdiction of the Finance, Audit and General Purpose Committee and using local council advice. The pay for the Principal is set annually with regard to performance against objectives set in previous year.

An external advisor is used to evaluate the performance of the Principal and to advise the Governors' Pay Sub Committee accordingly.

Pay for the Senior Leadership Team is also set by the Pay Sub Committee, again having regard to performance against previously agreed objectives and any recommendations made by the Principal.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	**3**
Full-time equivalent employee number	**3**

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	**£**	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%

i. Related parties and other connected charities and organisations

Hurstmere School is a single academy for boys and is not part of a federation.

The Academy formed an Umbrella Trust – the Penhill Academies Trust – with two partner schools. These schools were Sherwood Park Primary School and Blackfen School for Girls. Chislehurst and Sidcup Grammar School and Bexley Grammar School joined in-year to bring the partnership to five schools with the aim of promoting school improvement across the five schools for all young people in the local community.

The Principals meet formally once per term and the Penhill Trust board meets formally once a term. Minutes of these meetings are discussed at the Hurstmere School Governing Board meetings.

The principle aim of the Academy is to provide the highest possible standard of education and pastoral care, maximising the life chances of its students and ensuring they reach their full potential.

Objectives and activities

a. Objects and aims

The principal aim of the academy is to provide the highest possible standard of education and pastoral care, maximising the life chances of its students and ensuring they reach their full potential.

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives during the last year were to:

- Improve the quality of teaching, learning and assessment.
- Ensure effective leadership and management at all levels to promote high expectations of students' progress and outcomes.
- To review and enhance the operational functions of the school; ensuring robust financial monitoring, efficiency of administration and IT educational and management systems.

These aims have been agreed by the Governing Body as appropriate targets and they give a clear sense of the Academy's aspirations and character as a school.

c. Public benefit

In setting our objectives and planning our activities, the Governors have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

This academic year has been a year like no other in all sectors. Our Year 11 students were preparing for their GCSEs when the announcement was made that schools would be closed to all children with the exception of those deemed to be vulnerable and those of key workers due to the COVID-19 pandemic.

Public examinations were cancelled and Centre Assessed Grades (CAGs) were introduced with very clear direction from Ofqual. Hurstmere School adhered to the process calculating grades based on student performance using a broad evidence base including key assessment pieces and Pre-Public Examination data.

Comparative KS4 performance outcomes of the CAGs

Progress 8 score	0.05
Average Attainment 8 score per pupil	48.7 (NA 2019 – 46.7)
% students entering the English Baccalaureate	21.9% (NA 2019 – 40%)
Average EBacc APS score per student	4.13 (NA 2019 4.07)
% achieving grade 5 or above in the English Baccalaureate	8% (NA 2019 13%)
% achieving grade 5 or above in English and maths	47.3% (NA 2019 40%)
% achieving grade 4 or above in the English Baccalaureate	14.9% (NA 2019 25%)
% achieving grade 4 or above in English and Maths	71% (NA 2019 65%)

There has been a complete review of IT this year to support the delivery of remote education alongside a review of IT equipment. There is now a three-year strategy in place to upgrade the IT facilities for the delivery of IT and student use. All staff laptops have been upgraded as well as our three IT suites. The plan will evolve to develop the availability of IT across the school over the next two years.

Students despite working remotely have continued to engage fully in the activities the school has to offer. Harmony Army has continued to support the Alzheimer's Society and was part of the weekly sing-along during lockdown singing for vulnerable adults and care homes via zoom.

Students have continued to participate in the Jack Petchey Speak Out Challenge and several of our students have achieved Blue Peter badges for environmental work.

a. Key performance indicators

Staffing costs to be within +/-5% of budget allocations:
For the period ending 31st August 2020 teaching costs were at 95.15% of budget allocation and overall staffing costs were at 95.64% of total budget allocation.

Staffing costs are the Academy's main expense and the good value and commitment of our staff are reflected in our exam results.

Learning resources expenditure to be within +/-5% of budget allocation:
For the period ending August 2020 learning resources expenditure was at 71.93% of budget allocation, this is lower than normal due to COVID - 19 reducing the spend on learning resources.

In all of our expenditure the Finance Team, Headteacher, Senior Leadership Team and Governors will obtain the best value and will investigate choices and options available.

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Review of Activities

A financial working group was set up this year to identify ways to reduce costs and increase income. An SMRA was undertaken and the Academy have taken on board the advice given.

The Academy invests heavily in teaching staff as the key resource to achieve our aim of providing the highest possible standard of education for its students. The Academy has a facilities lettings policy to raise additional funds and has been successful in bidding to the ESFA maintenance grant for roofing renovation.

Financial review

a. Reserves policy

The Governors recognise that it is prudent to keep funds as a reserve in case of unexpected costs arising; however this needs to be balanced with the fact that any Academy is funded for the benefit of the students currently in the Academy. Therefore the level of reserves is carefully considered at the termly meetings of the Finance, Audit and General Purpose Committee. The value of each reserve is included within the financial review under note d below.

b. Investment policy

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. The academy will invest surplus cash funds to optimise returns, along with ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

c. Principal risks and uncertainties

The Governors have assessed the major risks and have compiled a risk register to highlight the risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g.in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

d. Financial review

We receive our income from a number of different sources. The majority of our income comes from central govemment via the Education and Skills Funding Agency who provide us with a grant, based largely on our student numbers to cover our staffing and other general running costs. The ESFA may also provide us with additional grants which are earmarked for specific purposes such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils. These appear in the financial statements as DfE/ESFA grants. Such income is collectively referred to as Restricted Funds. Other income is received from parents, as contributions for trips or other costs, or from third parties such banks for interest on our account balances, or from other who are charged for the use of our facilities. Such other income may be restricted or unrestricted depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the governors.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of the govemors (Unrestricted Funds) and those which are subject to condition or restriction, (Restricted Funds).

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in the financial statements, and as this is not a conventional liability, it does not need to be deducted from spendable funds.

As of 31 August 2020 the Academy held fund balances comprising £3,450(2019:£78,073) of restricted funds (excluding pension and fixed assets) and £907,862(2019:£865,267) of general unrestricted funds. The Academy's share of the Local Government Pension Scheme deficit at 31 August 2020 is £1,725,000 (2019:£1,723,000) as calculated by actuaries.

The Fixed Asset fund of £15,548,434 (2019:£15,704,497) is not available for spending as it represents the net book value of fixed assets. Future depreciation will be charged against this fund. Also included within this fund is an amount of £3,108(2019:£79,786) in respect of unspent capital income.

Fundraising

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice).

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Streamlined energy and carbon reporting

As the Academy has not consumed more than 40,000kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities

Plans for future periods

The principal task facing the school is to maintain and continue to improve excellent educational standards.

There has been a complete review of IT this year to support the delivery of remote education alongside a review of IT equipment. There is now a three-year strategy in place to upgrade the IT facilities for the delivery of IT and student use. All staff laptops have been upgraded as well as our three IT suites.
The plan will evolve to develop the availability of IT across the school over the next two years.

To apply for capital funding to enhance opportunities in the school to be more energy efficient which the school will in the long term be able to save costs on energy.

There is a maintenance programme in progress to ensure all areas around the school are redecorated.

Funds held as custodian on behalf of others

No funds are held as custodian trustees on behalf of others by the academy.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 21 January 2021 and signed on its behalf by:

Mrs E Allen
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mrs E Allen, Chair	5	5
Mrs L Bennett, Principal & Accounting Officer	5	5
Mr T Baston, Staff Governor	5	5
Mr J Baker	0	2
Mr J Beament, Staff Governor	4	4
Mr P Bland	5	5
Mr P Bleksley, Associate Governor	0	3
Ms C Bonner	1	5
Mr D Chatt	4	5
Mr J Cutts	0	2
Mr M Leech	5	5
Ms L Notton, Staff Governor	4	5
Mr N P Osborne	2	5
Mr A Powers	2	2
Mr P Walker	3	5

During the year we have welcomed Mr J Baker, Mr J Beament, Mr M Leech and Mr A Powers as Governors. This has strengthened the Board as each new Governor has brought us different skills. We were also pleased to welcome Mr P Blecksley as an Associate Governor. This year has been particularly challenging both for the School and the Board due to the COVID19 pandemic. Since March we have been unable to meet in person and have met through TEAMS. Pressure at work has prevented some Governors from attending as many meetings as they would have liked but they have continued to support the school in every way that they can.

Each new Governor has completed a skills audit before appointment and our next review of all Governors will be carried out in March 2021.

The Finance and General Purposes Committee is a sub-committee of the main Board of Governors. Its purpose is to assist and support the Board of Governors, ensuring sound oversight is excercised over the management of the Academy's finances and resources.

Governance (continued)

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mrs E Allen, Chair	3	3
Mrs L Bennett, Principal & Accounting Officer	3	3
Mr P Bland	2	3
Mr D Chatt	3	3
Mr N P Osborne	2	3

Review of value for money

As Accounting Officer, the Principal 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.

The Accounting Officer of Hurstmere School accepts is responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer is aware of the Guide to Academy Value for Money Statements published by the Education and Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has set out below how she has ensured that the Academy Trust's economic, efficient and effective use of its resources has provided good value for money during the academic year.

The Accounting Officer for the Academy has delivered improved value for money during the year by:

Continuing to seek value for money and work closely with other trusts to share providers, consultants and benchmarking data to ensure they can utilise each other's expertise to achieve high quality goods and services at a competitive price.

The service level agreements and other contracts purchased from outside services have been reviewed and savings wherever possible have been made.

Reviewing staffing structure to enable budgetary savings to be made where appropriate whilst maintaining academic progress.

The school applied for additional funding via CIF Funding for a project, but was unsuccessful in securing funding for 2019 – 2020. The school continues to apply for grants for capital projects.

The school continues to let out its facilities throughout the week including weekends to ensure maximum use and income to external groups and clubs, unfortunately due to COVID-19 this has resulted in a reduction in income from lettings.

The school has a one-year contract with a GDPR provider in partnership with the other Penhill Academies Trust

Review of value for money (continued)

schools. This has meant that this is outsourced rather than being a responsibility, hence a cost in terms of salary of a member of staff. The contract has provided good value for money for the school and training opportunities for staff.

Being a member of the Penhill Academies Trust, which consists of five members four secondary schools and one primary school. During the year 2019 - 2020 we continued with the collaborative work with a view to be more efficient in terms of savings on purchasing.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Governors has decided to buy-in an internal audit service from Bayar Hughes & Co Limited

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

A review of the conclusion reached on regularity and propriety in the year, including the action taken in respect of points raised in the audit management letter;

A review of minutes of the Governing Body and its key sub committee;

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Checking a sample of expenditure transactions to ensure that they do not contravene the funding agreement and have been authorised in accordance with the Academy's financial procedures and/or the Academies Financial Handbook, and

Evaluating and documenting internal controls and testing their application by walk through test.

On a termly basis, the reviewer reports to the Board of Governors through the audit committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Bayer Hughes & Co Ltd have been contracted to perform internal assurance visits for the school and the checks carried out included

- Testing of payroll systems
- Testing of expense claims systems
- Testing of purchase and payments systems
- Testing of control account/bank reconciliations systems
- Testing of income systems
- Testing of asset systems

No material control issues have been identified and all findings have been reported to Governors. Governors are satisfied that the role has been delivered effectively.

Review of effectiveness

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

- the work of the reviewer;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 21 January 2021 and signed on their behalf by:

E Allen

L. L. Bennett

Mrs E Allen
Chair of Governors

Mrs L Bennett
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

L. L. Bennett

Mrs L Bennett
Accounting Officer
Date: 21 January 2021

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

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

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

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

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

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

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

Approved by order of the members of the Board of Governors on 21 January 2021 and signed on its behalf by:

E Allen

Mrs E Allen
Chair of Governors

L. L. Bennett

Mrs L Bennett
Accounting Officer

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HURSTMERE SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HURSTMERE SCHOOL (CONTINUED)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Governors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HURSTMERE SCHOOL (CONTINUED)

Responsibilities of governors

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

In preparing the financial statements, the Governors are responsible for assessing the Academy'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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Other matters

The financial statements for the year ended 31 August 2019 were audited by the predecessor auditor, PKF Littlejohn LLP. The audit report was issued on 19 December 2019 and expressed an unqualified opinion on the financial statements.

Use of our report

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

Allan Hickie BSc FCA (Senior statutory auditor)
For and on behalf of
UHY Kent LLP
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

UHY Kent LLP

26 January 2021

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

In accordance with the terms of our engagement letter dated 4th August 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hurstmere School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Hurstmere School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hurstmere School's funding agreement with the Secretary of State for Education dated 15th January 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Approach

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants in England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Hurstmere School for the year ended 31 August 2020 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;

- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considerednecessary; 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Statutory Auditor
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 26 January 2021

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	*Total funds 2019 as restated £*
Income from:						
Donations and capital grants	3	-	21,888	-	21,888	*823,874*
Funding for educational operations	4	-	6,069,687	-	6,069,687	*5,743,418*
Other trading activities	5	216,667	19,935	-	236,602	*386,330*
Investments	6	1,578	455	-	2,033	*2,121*
Total income		218,245	6,111,965	-	6,330,210	*6,955,743*
Expenditure on:						
Charitable activities	7	145,650	6,362,788	236,541	6,744,979	*6,761,855*
Total expenditure		145,650	6,362,788	236,541	6,744,979	*6,761,855*
Net income/(expenditure)		72,595	(250,823)	(236,541)	(414,769)	*193,888*
Transfers between funds	18	(30,000)	26,200	3,800	-	-
Net movement in funds before other recognised gains/(losses)		42,595	(224,623)	(232,741)	(414,769)	*193,888*
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	148,000	-	148,000	*(675,000)*
Net movement in funds		42,595	(76,623)	(232,741)	(266,769)	*(481,112)*
Reconciliation of funds:						
Total funds brought forward		865,267	(1,644,927)	15,784,283	15,004,623	*15,485,735*
Net movement in funds		42,595	(76,623)	(232,741)	(266,769)	*(481,112)*
Total funds carried forward	18	907,862	(1,721,550)	15,551,542	14,737,854	*15,004,623*

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

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 52 form part of these financial statements.

HURSTMERE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07654127

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		2019 as restated £
Fixed assets					
Tangible assets	13		**15,548,433**		*15,704,497*
			15,548,433		*15,704,497*
Current assets					
Debtors	14	**111,085**		*410,017*	
Cash at bank and in hand		**1,092,793**		*1,166,711*	
		1,203,878		*1,576,728*	
Creditors: amounts falling due within one year	15	**(289,457)**		*(553,602)*	
Net current assets			**914,421**		*1,023,126*
Total assets less current liabilities			**16,462,854**		*16,727,623*
Net assets excluding pension liability			**16,462,854**		*16,727,623*
Defined benefit pension scheme liability	24		**(1,725,000)**		*(1,723,000)*
Total net assets			**14,737,854**		*15,004,623*
Funds of the Academy					
Restricted funds:					
Fixed asset funds	18	**15,551,542**		*15,784,283*	
Restricted income funds	18	**3,450**		*78,073*	
Restricted funds excluding pension asset	18	**15,554,992**		*15,862,356*	
Pension reserve	18	**(1,725,000)**		*(1,723,000)*	
Total restricted funds	18		**13,829,992**		*14,139,356*
Unrestricted income funds	18		**907,862**		*865,267*
Total funds			**14,737,854**		*15,004,623*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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

The financial statements on pages 23 to 52 were approved by the Governors, and authorised for issue on 21 January 2021 and are signed on their behalf, by:

Mrs E Allen
(Chair of Governors)

The notes on pages 28 to 52 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	**(72,151)**	*613,927*
Cash flows from investing activities	21	**(1,767)**	*(692,809)*
Change in cash and cash equivalents in the year		**(73,918)**	*(78,882)*
Cash and cash equivalents at the beginning of the year		**1,166,711**	*1,245,593*
Cash and cash equivalents at the end of the year	22, 23	**1,092,793**	*1,166,711*

The notes on pages 28 to 52 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Hurstmere School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

  Donations are recognised on a receivable basis (where 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 year it is receivable and to the extent the Academy has provided the goods or services.

- **Donated goods, facilities and services**

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

  Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**
  This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £4,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line
Freehold Improvements	-	7%	Straight line
Plant and machinery	-	25%	Reducing balance
Computer equipment	-	20%	Reducing balance

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

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

1.7 Debtors

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

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1. Accounting policies (continued)

1.11 Pensions

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

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

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

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2020 £	**Restricted fixed asset funds 2020 £**	**Total funds 2020 £**	*Total funds 2019 £*
Capital Grants	21,888	-	**21,888**	*823,874*
Total 2019	*75,274*	*748,600*	*823,874*	

4. Funding for the Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 as restated £*
DfE/ESFA grants			
General Annual Grant (GAG)	5,417,010	**5,417,010**	*5,342,430*
Other ESFA grants	480,303	**480,303**	*239,382*
	-	**5,897,313**	*5,581,812*
Local authority Grants	113,775	**113,775**	*113,446*
Other grants	58,599	**58,599**	*48,160*
Total 2020	6,069,687	**6,069,687**	*5,743,418*
Total 2019	*5,743,418*	*5,743,418*	

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 as restated £*
Lettings income	32,819	-	**32,819**	*41,265*
Catering	17,419	-	**17,419**	*82,278*
Other income	4,716	19,935	**24,651**	*30,439*
School trips income	75,439	-	**75,439**	*197,208*
School fund income	18,284	-	**18,284**	*35,139*
Insurance claim	67,990	-	**67,990**	-
Total 2020	216,667	19,935	**236,602**	*386,329*
Total 2019	*361,125*	*25,204*	*386,329*	

6. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Investment income	1,578	455	**2,033**	*2,121*
Total 2019	*1,580*	*541*	*2,121*	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	*Total 2019 £*
Educational operations:					
Direct costs	4,329,894	-	554,870	**4,884,764**	*5,069,117*
Allocated support costs	966,438	401,532	492,245	**1,860,215**	*2,337,526*
Total 2020	5,296,332	401,532	1,047,115	**6,744,979**	*7,406,643*
Total 2019	*5,069,117*	*2,337,526*	-	*7,406,643*	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Educational operations	4,884,764	1,860,215	**6,744,979**	*6,761,857*
Total 2019	*4,852,134*	*1,909,723*	*6,761,857*	

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	*Total funds 2019 £*
Staff costs	966,438	**966,438**	*936,815*
Depreciation	236,541	**236,541**	*193,551*
Premises costs	324,854	**324,854**	*328,157*
Technology costs	7,359	**7,359**	-
Other support costs	310,143	**310,143**	*440,700*
Governance costs	14,880	**14,880**	*10,500*
	1,860,215	**1,860,215**	*1,909,723*
Total 2019	*1,909,723*	*1,909,723*	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	*2019 £*
Operating lease rentals	**10,325**	*6,543*
Depreciation of tangible fixed assets	**186,841**	*193,551*
Fees paid to auditors for:		
- audit (UHY)	**7,640**	-
- audit (PKF Littlejohn)	**-**	*10,500*

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	**3,928,085**	*3,818,938*
Social security costs	**392,170**	*384,447*
Pension costs	**882,795**	*657,956*
	5,203,050	*4,861,341*
Agency staff costs	**84,471**	*207,776*
Staff restructuring costs	**8,811**	-
	5,296,332	*5,069,117*

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

Included in staff restructuring costs is a non-statutory compensation payment totalling £8,811 (2019:£Nil).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	**61**	*53*
Administration and Support	**43**	*51*
Management	**7**	*7*
	111	*111*

d. Higher paid staff

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

10. Staff (continued)

d. Higher paid staff (continued)

	2020 No.	*2019 No.*
In the band £60,001 - £70,000	**3**	*2*
In the band £70,001 - £80,000	**-**	*1*
In the band £80,001 - £90,000	**-**	*1*
In the band £90,001 - £100,000	**1**	*1*

e. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £907,713 *(2019 £708,304)*.

11. Governors' remuneration and expenses

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

		2020 £	*2019 £*
Mrs L Bennett, Principal & Accounting Officer	Remuneration	**90,000 - 95,000**	*-*
	Pension contributions paid	**20,000 - 25,000**	*-*
Mr G Stollery, Principal	Remuneration	**-**	*95,000 - 100,000*
	Pension contributions paid	**-**	*15,000 - 20,000*
Ms L Notton, Staff Governor	Remuneration	**50,000 - 55,000**	*50,000 - 55,000*
	Pension contributions paid	**10,000 - 15,000**	*5,000 - 10,000*
Mr J Beament, Staff Governor	Remuneration	**20,000 - 25,000**	*-*
	Pension contributions paid	**5,000 - 10,000**	*-*
Mr T Baston, Staff Governor	Remuneration	**50,000 - 55,000**	*50,000 - 55,000*
	Pension contributions paid	**10,000 - 15,000**	*5,000 - 10,000*

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

12. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for year ended 31 August 2020 was £214 *(2019 - £265)*. The cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Freehold property £	Improvements to Freehold Property £	Furniture and equipment £	Plant and machinery £	Total £
Cost or valuation					
At 1 September 2019	**15,972,151**	**876,843**	**265,694**	**281,124**	**17,395,812**
Additions	**-**	**76,678**	**3,800**	**-**	**80,478**
At 31 August 2020	**15,972,151**	**953,521**	**269,494**	**281,124**	**17,476,290**
Depreciation					
At 1 September 2019	**1,149,120**	**83,214**	**202,303**	**256,679**	**1,691,316**
Charge for the year	**143,640**	**63,568**	**13,438**	**15,895**	**236,541**
At 31 August 2020	**1,292,760**	**146,782**	**215,741**	**272,574**	**1,927,857**
Net book value					
At 31 August 2020	**14,679,391**	**806,739**	**53,753**	**8,550**	**15,548,433**
At 31 August 2019	*14,823,031*	*793,630*	*63,391*	*24,445*	*15,704,497*

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	**20,275**	*209,291*
Other debtors	**10,033**	*115,141*
Prepayments and accrued income	**80,777**	*85,585*
	111,085	*410,017*

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	**8,691**	*8,691*
Trade creditors	**24,337**	*25,269*
Other taxation and social security	**107,264**	*99,662*
Accruals and deferred income	**149,165**	*419,980*
	289,457	*553,602*

	2020 £	2019 £
Deferred income at 1 September 2019	**98,164**	*205,029*
Resources deferred during the year	**98,165**	*98,164*
Amounts released from previous periods	**(98,164)**	*(205,029)*
	98,165	*98,164*

Income deferred at year end relates to a School Games Organiser grant from ECORYS UK of £27,767 (2019:£27,767), ESFA NNDR relief of £22,189 (2019:£21,855) and school trips of £48,209 (2019:£48,542).

16. Financial instruments

	2020 £	*2019 £*
Financial assets		
Financial assets measured at fair value through income and expenditure	**1,092,793**	*1,166,711*

17. Prior year adjustments

The prior year figures have been adjusted for a several issues identified, as noted below:

CIF projects
In the prior year, the trust received £748,600 in CIF funding for capital projects, £668,815 of this income was treated as restricted revenue income and unspent CIF funding of £79,785 was shown in creditors at the year end, as deferred income. A prior year adjustment has been raised to move the total income received to the capital fund, with the unspent portion carried forward in the capital fund at 31 August 2019. £668,815 expenditure on CIF projects has been moved from revenue expenditure to fixed assets in accordance with the AAD. The net effect is to increase fixed assets by £668,815, reduce 2019 creditors by £79,785 and increase the brought forward restricted fixed asset fund by £748,600.

Accrued income
The prior year figures have also been adjusted to account for accrued pupil premium of £19,744 and catering income of £19,780. The net effect of this is to increase 2019 debtors by £39,524, increase brought forward other ESFA grants in the restricted fund by £19,744 and increase brought forward general unrestricted funds by £19,780.

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	559,531	76,271	-	(30,000)	-	605,802
School Fund	274,353	18,325	(27,391)	-	-	265,287
School Trips	31,383	123,649	(118,259)	-	-	36,773
	865,267	218,245	(145,650)	(30,000)	-	907,862
Restricted general funds						
General Annual Grant (GAG)	58,329	5,417,010	(5,501,889)	30,000	-	3,450
Other ESFA grants	19,744	480,303	(500,047)	-	-	-
Local authority grants	-	113,775	(113,775)	-	-	-
Other grants	-	58,599	(58,599)	-	-	-
Investment income	-	455	(455)	-	-	-
Other income	-	19,935	(19,935)	-	-	-
Devolved Formula Capital	-	21,888	(18,088)	(3,800)	-	-
Pension reserve	(1,723,000)	-	(150,000)	-	148,000	(1,725,000)
	(1,644,927)	6,111,965	(6,362,788)	26,200	148,000	(1,721,550)
Restricted fixed asset funds						
Restricted Fixed Asset Fund	15,704,497	-	(159,863)	3,800	-	15,548,434
CIF Safeguarding	72	-	(72)	-	-	-
CIF Drainage and Roofing	79,714	-	(76,606)	-	-	3,108
	15,784,283	-	(236,541)	3,800	-	15,551,542

18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total Restricted funds	**14,139,356**	**6,111,965**	**(6,599,329)**	**30,000**	**148,000**	**13,829,992**
Total funds	**15,004,623**	**6,330,210**	**(6,744,979)**	**-**	**148,000**	**14,737,854**

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

The Restricted General funds are used to fund the general operating costs of the Academy.

The General Annual Grant is provided by the Education and Skills Funding Agency (ESFA) to enable the Academy to fulfil its educational objectives.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

The Resticted LGPS Fund represents the Academy Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £15,548,434 (2019: £15,704,497). When fixed assets are purchased the fund is increased and depreciation charges reduce the fund. Additionally there is unused capital income of £3,108(2019:£79,786).

Unrestricted Funds represent balances held at the year end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2019* £
Unrestricted funds						
General Funds	*679,220*	*130,326*	*(15)*	*(250,000)*	-	*559,531*
School Fund	*261,178*	*35,173*	*(21,998)*	-	-	*274,353*
School Trips	*56,550*	*197,208*	*(222,375)*	-	-	*31,383*
	996,948	362,707	(244,388)	*(250,000)*	-	*865,267*
Restricted general funds						
General Annual Grant (GAG)	*60,669*	*5,342,430*	*(5,594,770)*	*250,000*	-	*58,329*
Other ESFA grants	-	*239,381*	*(219,637)*	-	-	*19,744*
Local authority grants	-	*113,447*	*(113,447)*	-	-	-
Other grants	-	*48,160*	*(48,160)*	-	-	-
Investment income	-	*540*	*(540)*	-	-	-
Other income	-	*25,204*	*(25,204)*	-	-	-
Devolved Formula Capital	-	-	*(49,159)*	*49,159*	-	-
Pension reserve	*(775,000)*	-	*(273,000)*	-	*(675,000)*	*(1,723,000)*
	(714,331)	5,769,162	(6,323,917)	*299,159*	*(675,000)*	*(1,644,927)*
Restricted fixed asset funds						
Restricted fixed asset funds	*15,203,118*	*744,089*	*(193,551)*	*(49,159)*	-	*15,704,497*
CIF Safeguarding Fund	-	*118,174*	*(118,102)*	-	-	*72*
CIF drainage and roofing	-	*630,426*	*(550,712)*	-	-	*79,714*

18. Statement of funds (continued)

	Balance at 1 September 2018 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2019 £*
	15,203,118	1,492,689	(862,365)	*(49,159)*	-	*15,784,283*
Total Restricted funds	*14,488,787*	*7,261,851*	*(7,186,282)*	*250,000*	*(675,000)*	*14,139,356*
Total funds	*15,485,735*	*7,624,558*	*(7,430,670)*	-	*(675,000)*	*15,004,623*

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	**Restricted funds 2020 £**	**Restricted fixed asset funds 2020 £**	**Total funds 2020 £**
Tangible fixed assets	-	-	15,548,433	**15,548,433**
Current assets	907,862	292,905	3,109	**1,203,876**
Creditors due within one year	-	(289,455)	-	**(289,455)**
Provisions for liabilities and charges	-	(1,725,000)	-	**(1,725,000)**
Total	907,862	(1,721,550)	15,551,542	**14,737,854**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	*Restricted funds 2019 £*	*Restricted fixed asset funds 2019 £*	*Total funds 2019 £*
Tangible fixed assets	-	-	15,704,497	*15,704,497*
Current assets	871,563	625,379	79,786	*1,576,728*
Creditors due within one year	(6,298)	(547,306)	-	*(553,604)*
Provisions for liabilities and charges	-	(1,723,000)	-	*(1,723,000)*
Total	865,265	(1,644,927)	15,784,283	*15,004,621*

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	*2019 £*
Net (expenditure)/income for the period (as per Statement of financial activities)	**(414,769)**	*193,888*
Adjustments for:		
Depreciation	**236,541**	*193,551*
Interest receivable	**(2,033)**	*(2,121)*
Defined benefit pension scheme finance cost	**150,000**	*273,000*
Decrease/(increase) in debtors	**298,931**	*(225,147)*
(Decrease)/increase in creditors	**(340,821)**	*180,756*
Net cash (used in)/provided by operating activities	**(72,151)**	*613,927*

21. Cash flows from investing activities

	2020 £	*2019 £*
Dividends, interest and rents from investments	**2,033**	*2,121*
Purchase of tangible fixed assets	**(3,800)**	*(694,930)*
Net cash used in investing activities	**(1,767)**	*(692,809)*

22. Analysis of cash and cash equivalents

	2020 £	*2019 £*
Cash in hand	**1,092,793**	*1,166,711*
Total cash and cash equivalents	**1,092,793**	*1,166,711*

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	**1,166,711**	**(73,918)**	**1,092,793**
Debt due within 1 year	**(8,691)**	**-**	**(8,691)**
	1,158,020	**(73,918)**	**1,084,102**

24. Pension commitments

The Academy'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 London Borough of Bexley. 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.

Contributions amounting to £17,691 were payable to the schemes at 31 August 2020 *(2019 - £18,052)* and are included within creditors.

Teachers' Pension Scheme

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

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £693,278 *(2019 - £459,586)*.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £239,218 *(2019 - £247,915)*, of which employer's contributions totalled £189,517 *(2019 - £198,264)* and employees' contributions totalled £ 49,701 *(2019 - £49,651)*. The agreed contribution rates for future years are 20.4 per cent for employers and 6.5 per cent for employees.

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

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

24. Pension commitments (continued)

Principal actuarial assumptions

London Borough of Bexley

	2020 %	*2019 %*
Rate of increase in salaries	**3.9**	*3.6*
Rate of increase for pensions in payment/inflation	**2.5**	*2.2*
Discount rate for scheme liabilities	**1.7**	*1.8*
Inflation assumption (CPI)	**2.4**	*2.1*

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

	2020 Years	*2019 Years*
Retiring today		
Males	**22.4**	*23.2*
Females	**25.1**	*26.2*
Retiring in 20 years		
Males	**24**	*25.4*
Females	**27.1**	*28.5*

Sensitivity analysis

London Borough of Bexley

	2020 £000	*2019 £000*
Discount rate +0.1%	**1,630,000**	*1,622,000*
Mortality assumption - 1 year increase	**1,897,000**	*1,823,000*
CPI rate +0.1%	**1,823,000**	*1,827,000*

24. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	**2,153,000**	*1,840,000*
Government bonds	**516,000**	*426,000*
Other bonds	**732,000**	*450,000*
Property	**430,000**	*398,000*
Cash and other liquid assets	**43,000**	*84,000*
Other	**430,000**	*780,000*
Total market value of assets	**4,304,000**	*3,978,000*

The actual return on scheme assets was £146,000 *(2019 - £333,000)*.

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	**304,000**	*263,000*
Past service cost	**-**	*184,000*
Interest cost	**28,000**	*17,000*
Administrative expenses	**8,000**	*7,000*
Total amount recognised in the Statement of financial activities	**340,000**	*471,000*

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

	2020 £	2019 £
At 1 September	**5,701,000**	*4,235,000*
Interest cost	**100,000**	*117,000*
Employee contributions	**50,000**	*50,000*
Actuarial losses	**52,000**	*908,000*
Benefits paid	**(178,000)**	*(56,000)*
Current service costs	**304,000**	*263,000*
Past service costs	**-**	*184,000*
At 31 August	**6,029,000**	*5,701,000*

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	**3,978,000**	*3,460,000*
Interest income	**72,000**	*100,000*
Actuarial gains	**200,000**	*233,000*
Employee contributions	**50,000**	*50,000*
Benefits paid	**(178,000)**	*(56,000)*
Employer contributions	**190,000**	*198,000*
Administration expenses	**(8,000)**	*(7,000)*
At 31 August	**4,304,000**	*3,978,000*

25. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	**10,666**	*6,543*
Later than 1 year and not later than 5 years	**10,045**	*8,180*
	20,711	*14,723*

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/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.

27. Related party transactions

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

The related party transactions in the year were as follows,

Mrs A Baston-Bradley, the spouse of Mr T Baston, a staff governor, is employed by the Trust for her role as a Teacher. Mr T Baston had no involvement in the appointment of Mrs A Baston-Bradley and the governors are comfortable that Mrs A Baston-Bradley's salary provides value for money and is not at a preferential rate. Mrs A Baston-Bradley is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

Mrs I Pavey, the spouse of Mr R Pavey, a member, is employed by the Trust as an Exam Invigilator.
Mr R Pavey had no involvement in the appointment of Mrs I Pavey and the governors are comfortable that amounts paid to Mrs I Pavey provide value for money and are not at a preferential rate. Mrs I Pavey is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member.