

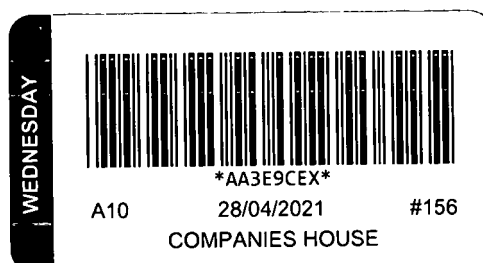
Company Registration Number: 07926597 (England & Wales)

THE HEYFORDIAN SCHOOL TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

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THE HEYFORDIAN SCHOOL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Michael Loveland Mrs Natasha Smith (resigned 7 November 2019) Mr Paul Silver (resigned 14 October 2020) Mr Simon Morrell
Trustees	Mr Paul Silver, (Resigned as Chair on 18 September 2019) (resigned 14 October 2020) Miss Emily Boswell Mr Steve Gee Mrs Gale Law (resigned 4 March 2020) Mr Adrian Lockwood Mr Steve Maltby, (Appointed Joint Chair of Trustees 18 September 2019) Mrs Jan Maulden Mrs Elaine Robinson (resigned 15 July 2020) Mrs Karen Healey (Principal & Ex-officio Trustee) (resigned 31 August 2020) Mr Simon Morrell, (Appointed Joint Chair of Trustees 18 September 2019) Mrs Debbie Cotton Mr Steve Burley (appointed 18 September 2019) Dr Jennette Jefferies (appointed 15 January 2020)
Company registered number	07926597
Company name	The Heyfordian School Trust
Principal and registered office	74 Camp Road Upper Heyford Oxfordshire OX25 5HD

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

Company secretary Kate Akkerman

Senior leadership team

Year 19/20:

Mrs Karen Healey, Principal (resigned 31/08/20)

Ms Catalina Marin, Assistant Principal Teaching and Learning (resigned 31/12/2019)

Mr Robert Marchant, Deputy Head Primary (appointed, 23/04/2019)

Mrs Christine Childs, SENCO (appointed 01/01/2020)

Miss Lorraine Dumbill, Business Manager

Mr Iain Mackenzie, Assistant Principal Outcomes (resigned 31/08/2020)

Miss Victoria Wallington, Associate Principal

Mrs Rebecca Hughes, Head of Primary (end date 31/08/2020)

Year 20/21:

Mr Craig Thomas, Executive Head Secondary

Mr Stephen Nicholson, Head of Secondary

Miss Victoria Wallington, Deputy Head Secondary

Mrs Christine Childs, SENCO (appointed 01/01/2020)

Mrs Sarah Nickelson, Executive Head Primary

Mr Robert Marchant, Deputy Head Primary (appointed, 23/04/2019)

Miss Lorraine Dumbill, Business Manager

Independent auditors Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers Bank of Scotland
Connaught House
Alexandra Terrace
Guildford
Surrey
GU1 3DA

Solicitors Michelmores LLP
48 Chancery Lane
London
WC2A 1JF

THE HEYFORDIAN SCHOOL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements of the charitable company for the year ended 31st August 2020. The company was incorporated on 27th January 2012. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Heyford Park Free School joined the Eynsham Partnership Academy Trust from 1st November 2020. Heyford Park Free School will continue within a Multi Academy Trust as an academy for pupils aged 3 to 19 serving the areas of Heyford Park and Bicester in Oxfordshire. Further details are included within the Trustees Report below.

Structure, governance and management

a. Constitution

The Heyfordian School Trust (the Academy) is a company limited by guarantee with no share capital (registration no 07926597) and an exempt charity. The charitable company's memorandum and articles of association are the *prime governing documents*. The articles of association require members of the charitable company to appoint not less than 3 Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The Trustees are Directors of the charitable company for the purposes of the Companies Act 2006. Trustees are responsible for the strategic direction chosen by the Trust. Members of the Trust have ownership and responsibility to appoint and dismiss Directors. Members of the Trust are Trustees for the purposes of the charity legislation.

From September 2013 all Governors also became Directors of the Academy. The term of office for any Trustee shall be 4 years, including the Principal and Ex Officio Trustees. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re elected.

The Trustees who were in office during the year and subsequently, except where shown, are listed on page 1.

b. Members' liability

Every member of the charitable company (who are not necessarily Trustees) undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one year after he or she ceases to be a member, for the payment of the Trusts debts and liabilities before he or she ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of contributories amongst themselves.

c. Trustees' indemnities

For the year to 31 August 2020, the Academy has entered a voluntary Risk Protection Arrangement (RPA) with the Department for Education which includes cover for Trustees' liability.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

When the company was formed, Members and Directors were chosen as representatives of the various community and business groups who wanted to be involved in the formation of the school. Two Trustees are both Members and Directors, these are Simon Morrell (Joint Chair of Trustees) and Paul Silver (Trustee).

After opening in September 2013, The Heyfordian School Trust recruited parent trustees from the opening cohort of parents. In the past year the Trust has appointed two new trustees with backgrounds and experience in Education, who joined the Trust on 18/09/2019 and another who joined on 15/01/2020.

The Articles of Association allow for a maximum of 10 Community Trustees to be appointed, and The Heyfordian School Trust will consider any skill gaps it has identified when considering future Community Trustee appointments. The normal term of governance is four years and the external review of governance conducted in Autumn 2019 has informed the structure and composition of the Trustees for September 2020 onwards.

The Trust is registered with SGOSS and welcomes nominations for Community Trustees through this route, designed to give transparency to our processes of recruitment and ensure all standards for school trustees were met. Other trustee appointments, including appointment of parent trustees, follow processes as advised by the NGA.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the school and the chance to meet staff and students. All Trustees are given access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. The Trustees have engaged external advisors to review policies and procedures and will adapt procedures accordingly.

Annual updates on Finance and Governance are shared with the Trust by the Principal as Accounting Officer based on ESFA updates and professional guidance.

f. Organisational structure

The Trust operates at two levels: the Board of Trustees (or Directors), who are responsible for the strategic direction guided by the Charter of the School Trust, and the Members of the Trust who have ownership and responsibility to appoint Directors.

Heyford Park Free School has a management structure of Trustees (Governing Body) and a Senior Leadership Team led by the Principal.

The Trustees are responsible for appointing the Principal, making major strategic decisions, setting general policy and adopting an annual budget.

The Principal is responsible for the day to day running of the School.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

Pay and remuneration of key management personnel is determined by a variety of contributory factors, such as, the school group size currently and at full capacity, the pay scales for each role e.g. Principal, Head of Primary, and the level of experience of the staff member. In addition to this, levels of pay may be affected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post, which all coincides with the schools appointment and pay policies. All amendments to key management personnel's pay and remuneration is discussed and agreed by the Board as part of the annual budget and performance management processes. The Board adopt the Oxfordshire Pay Award annually for parity with other local academies.

h. Related parties and other connected charities and organisations

Heyford Park Free School , started a relationship with the Eynsham Partnership Academy (EPA) in Spring 2020. EPA have worked with Heyford Park Free School to review safeguarding, teaching and learning, curriculum, assessment and leadership across all key stages. Business and finance processes and procedures have been supported by the CFO of the EPA—this has continued with a focus on merging systems ahead of merger with the EPA Trust.

This relationship has carried on into September 2020, and has resulted in the school joining the Eynsham Partnership Academy Trust from 1st November 2020.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is to establish and maintain an independent State school (an Academy) known as Heyford Park Free School. The School provides 'all through' education for children aged from 3 to 19, and as such operates across both the Primary and Secondary phases serving the catchment area of Heyford and surrounding areas.

The characteristics of an Academy are a school that:

- Has a broad curriculum with an emphasis on particular subject areas;
- And provides education for students of different abilities who are drawn wholly or mainly from the area where the school is situated.

The objectives of the Heyfordian School Trust are to provide a school for the area of Heyford Park that is:

- Small
- Inclusive
- Ambitious
- Personalised
- Aspirational
- Community orientated
- True to the heritage at Heyford Park

In accordance with the articles of association the charitable company has adopted a Funding Agreement and Memorandum and Articles approved by the Secretary of State for Education. This specifies, amongst other things, the basis for admitting students to the School and the catchment area from which the students are drawn.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Heyford Park Free School opened as an academy on 3rd September 2013.

b. Equal Opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The School promotes equal opportunities in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Academy exists for the educational benefit of those students in the community of Heyford Park and the surrounding areas. The School motto promotes community benefit, and this is considered at four levels. These are (1) The School community, (2) The Local Community, (3) The United Kingdom Community and (4) the Global Community. The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

d. Disabled persons

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

Strategic report

Achievements and performance

The academy saw a decline in pupil numbers over the past 12 months. Numbers on roll declined from 654 in October 2019 to 548 in October 2020. The school operated in the year 2019 – 2020 from Nursery through to Year 13.

The school was inspected by Ofsted in November 2019, which resulted in the school being placed into "Special Measures".

Our priorities for 20-21 are informed by key actions from the Ofsted report and have been summarised in the school's Rapid Action Plan (RAP). The areas of priority are:

- Leadership and Management
- Quality of Education: Curriculum Design (Intent)
- Quality of Education: Learning and Assessment (Implementation)
- Quality of Education: SEND
- Behaviour and Attitudes
- Personal Development
- Early Year Provision

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

For a school, the key performance indicators are around achievement and wellbeing of students. The achievement and attendance of our students compares favourably with national standards in the 2019/20 academic year. This is evidenced through four sets of nationally comparable data:

EYFS students entered the school broadly in line with age related expectations. The percentage of students achieving a good level of development (GLD) by the end of reception 2019 was 74% compared to 71.8% nationally (2019). This was externally moderated and the school was found to be making accurate assessments.

In Year 1 the number of pupils reaching the expected level in the Phonics screening Check 2019 was 91% compared to a national average of 82%.

At key stage 4, all Key Performance indicators (KPIs) have improved and nearly all have improved significantly. For example, Basics 9-5 has improved by 10% from 45.3% (2019) to 55.2% (2020). Progress 8 has improved from -0.06 (2019) to +0.5 (2020). All subjects have improved in their indicators from last year.

Attendance has improved. It is now broadly in line with the national average at 94.5% and persistent absence remains below the national averages at 12%. The gap between disadvantaged and non-disadvantaged students continues to close.

b. Going concern

On 1st November 2020 the school transferred to a Multi Academy Trust (MAT) for both educational and financial reasons. Approval was received for the transfer from both the Department of Education (DoE) and the Education and Skills Funding Agency (ESFA).

It is intended that following the transfer The Heyfordian School Trust be wound-up with no outstanding liabilities.

On this basis, the company is not a Going Concern, but no adjustments are required to the figures due to the transfer.

Financial review

a. Financial report for the year

During the year, the academy received £3,217,013 (2019: £2,977,491) from the ESFA in respect of general annual grant and additional grants.

All other monies received were used in support of the educational aims and objectives of the school.

As the school has built up a typical annual pattern of expenditure for buildings maintenance and operating costs in this period, which have been based on rates handed over from the construction and expansion phases, it is anticipated that within the coming year the school will seek to find best value in areas including energy procurement, cleaning and site maintenance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

b. Financial position

The Academy held fund balances at 31 August 2020 of £10,820,265 (2019: £11,690,308) comprising a deficit of £992,619 (2019: £456,985) of restricted general funds (after accounting for the Local Government Pension Scheme), £11,748,771 (2019: £12,122,653) of restricted fixed asset funds, and a surplus of £64,113 (2019: £24,460) of unrestricted funds.

c. Reserves Policy

At present the monies available in free reserves of £64,113 fall short of the stated reserve as the Trust does not have sufficient funds to cover three months operating costs (estimated at £889,935). This is not an immediate concern as the cashflow and budget forecasts are robust, and the budget has been structured using best practice models from the ESFA and ASCL with regard to proportions of staffing and operating costs.

This reserves policy will be reviewed annually during the growth phase of the school. It is expected that the school will reach a steady state budget position when it is at capacity in the year 2022-23. At the current time, the level of reserves held takes into account the nature of income and expenditure streams, and the need to match them with commitments, including completion of capital projects. This is monitored in year through cashflow forecasting and monthly analysis.

The Trust will explore the following areas in future budgets, with the aim of adding annually to reserves:

- Efficiency of staffing structures, particularly in leadership
- Efficiency of curriculum delivery models, aiming to maintain both quality and best value
- Efficiency of purchasing in key operational areas including energy and site management
- Potential revenue streams through lettings and capital fundraising

Having within the last year completed the capital works associated with the establishment of a new school, the Trust is now seeking to develop and maintain sufficient reserves as might be required in relation to its operating budgets as defined by general annual grant and other grants linked to pupil numbers. The responsibility for the development and monitoring of the reserves policy has been delegated under the terms of reference of the Finance and Staffing Committee.

The operational reserves are monitored through monthly cash flow analysis and forecasting, with an aim of ensuring that unrestricted reserves are always in excess of one month's salaries and operating costs. A further review of reserves policy will be conducted in the coming financial year to ensure that reserves are identified within annual budgets to allow an appropriate level of accumulation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Principle Risks and Uncertainties

The Trustees have implemented a number of systems to assess risk including operational areas, (e.g. in relation to teaching, health and safety, bullying and school trips) and the control of finance. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The School has an effective system of internal financial controls and this is explained in more detail in the following statement.

The School has prepared a corporate Risk Register in line with appropriate guidance. This is to be considered annually by the governing body with on going review detailed for each item. The key areas of risk with regard to school finance, and the chief mitigations, are as follows:

- Funding, principally derived from the General Annual Grant on a per pupil basis. Should pupil numbers drop, this will impact funding forecasts. This is mitigated by a close focus on marketing the school, focus on excellent communication with parents, and a culture of openness when welcoming visitors and new families. Close stakeholder relationships with the Friends of Heyford Park Free School, and local Primary schools and Early Years settings also ensure high rates of applications to join the school.
- Staffing, particularly maintaining high quality staff, and ensuring key subject areas are appropriately covered, is a risk as weak staffing may impact educational outcomes. This is mitigated by working in partnerships with local teacher training providers, including Oxford Brookes University, and also promoting School Centred Initial Teacher Training whereby staff train while working at HPFS. This is delivered in partnership with the Oxfordshire Teaching Schools Alliance.
- Site and Premises management is an area of risk with regard to unforeseen costs in the management of the school's estate, and due to the mix of refurbished building types. This is mitigated against through regular external assessment of health and safety, including structural review. Where issues or concerns are identified close liaison with the ESFA ensures clear focus on potential funding streams. This is monitored by the Premises and Safety Committee who revisit risks using a standard methodology at termly meetings.

Fundraising

Heyford Park Free School's fundraising is principally from statutory and government agencies. We also are fortunate to receive donations from individuals, particularly from people whose children either use or have used the service and have wished to show their appreciation and support for the school. Heyford Park Free School does not engage in large scale fundraising activities like mass mailings, telephone fundraising or door to door campaigns. Heyford Park Free School does not employ a professional fundraiser nor engage the services of any third party organisations to help raise funds. To this end, Heyford Park Free School has not considered it necessary or appropriate to sign up to any regulatory code of fundraising practice. Heyford Park Free School has not received any complaints about any aspect of its fundraising. Heyford Park Free School prides itself on providing an environment and experience that allows children to achieve what they are truly capable of, equips them with excellent individual academic progress and a 'can do' attitude and would not countenance any conduct or activities that undermined this.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The School's Vision is to continue to be a community orientated, aspirational, and inclusive school where children value learning supported by a highly motivated, committed team of staff and fuelled by accommodation, resources and opportunities that fully meet their needs, dreams and aspirations. These values are also embedded in the Charter document of The Heyfordian School Trust.

The school will continue to grow, by filling existing year groups in line with ongoing development at Heyford Park with possible future expansion as the population continues to grow. To support the future of the school, the board agreed to join the EPA with the immediate priority to improve standards, especially in the areas of safeguarding, teaching and learning, curriculum, assessment and leadership across all key stages. Following the Heyford Park Free School joining EPA, the Trust intends to wind down with no school to operate.

We work closely with the Oxfordshire County Council admissions team on all aspects of school admissions and growth, and with local developers and planning bodies to ensure the continued infrastructure developments around the school support the needs of the school and provide a safe environment for students.

The School works with other schools and universities, through the Oxfordshire Teaching Schools Alliance, to provide quality Initial Teacher Training and further research opportunities thus supporting the next generation of teachers and endorsing a commitment to academic excellence and lifelong learning.

Funds held as custodian on behalf of others

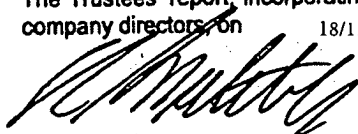
Neither Heyford Park Free School nor the Governing Body are acting as third party custodial trustees.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18/11/2020 and signed on its behalf by:



Mr Steve Maltby
Joint Chair of Trustees

THE HEYFORDIAN SCHOOL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Heyfordian School Trust 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 Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees 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 The Heyfordian School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Paul Silver, (Resigned as Chair on 18 September 2019)	3	7
Mr Adrian Lockwood	5	7
Mr Steve Maltby, (Appointed Joint Chair of Trustees 18 September 2019)	7	7
Mrs Gale Law	4	0
Miss Emily Boswell	3	7
Mrs Jan Maulden	6	7
Mrs Elaine Robinson	4	7
Mr Steve Gee	7	7
Mr Simon Morrell, (Appointed Joint Chair of Trustees 18 September 2019)	7	7
Mrs Debbie Cotton	7	7
Mr Steve Burley	6	7
Dr Jennette Jefferies	4	4
Mrs Karen Healey (Principal & Ex-officio Trustee)	0	7

In this year the Board of Trustees used a self review tool from the NGA, to audit skills and determine needs for development and also inform future trustee appointments. This showed a depth of experience in finance, HR and business development which allows trustees to provide strategic support and challenge to the school as it grows.

Finance and HR Committee

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Steve Maltby	5	5
Steve Gee	5	5
Gale Law	2	3
Simon Morrell	5	5
Jennette Jefferies	2	2

Premises and Safety Committee

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Adrian Lockwood	3	3
Elaine Robinson	2	3
Steve Gee	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Students Committee

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Emily Boswell	4	4
Jan Maulden	3	4
Debbie Cotton	3	4
Steve Gee	4	4
Steve Burley	3	4
Jennette Jefferies	2	2

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 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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

Collaboration

Heyford Park Free School, started a relationship with the Eynsham Partnership Academy (EPA) in Spring 2020. EPA have worked with Heyford Park Free School to review safeguarding, teaching and learning, curriculum, assessment and leadership across all key stages. Business and finance processes and procedures have been supported by the CFO of the EPA—this has continued with a focus on merging systems ahead of merger with the EPA Trust.

Community fundraising

- Approaches to community fundraising in the 2019-20 year have continued to produce significant funds for the school. The majority of these funds have come from The Friends of Heyford Park.

Purchasing

- Furniture, Fittings and Equipment have been purchased in bulk via YPO, a not for profit purchasing organisation. This delivers best value, but also a return to the school on any profits made in a cooperative model.
- Group procurement through the OSBM Forum was used to identify to brokers who understand energy requirements of schools, ensuring contracts were checked for best value, this has also produced savings due to checking of tariffs applied during the build and handover stages.

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GOVERNANCE STATEMENT (CONTINUED)

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 The Heyfordian School Trust 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 Trustees 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 Trustees 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 Trustees.

The risk and control framework

The board of trustees has considered the need for a specific internal audit function and put the following measures in place. A financial Reviewer, Simon Morrell, has worked with the school throughout the year on a monthly basis to provide support with financial procedures, improve regularity, and carry out an internal audit function. Any suggested improvements to systems have been implemented by the Academy.

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 Trustees
- 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 Trustees has considered the need for a specific internal audit function and has decided this would not be appropriate at this time.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations
- testing of VAT accounting system
- testing of fixed asset systems
- testing of controls over journal postings
- testing of controls over staff expenses

The reviewer delivered their schedule of work as planned. A number of recommendations were made by the

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

reviewer and remedial action was taken. No significant deficiencies in internal controls were identified.

On a termly basis, the reviewer reports by exception to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Financial and Staffing Committee of the Governing Body have a role in resolving any concerns that are raised with the Principal/Accounting Officer or responsible school staff and are not resolved by these routes.

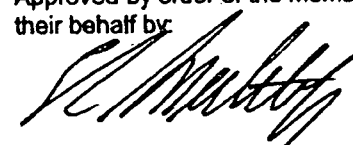
Review of effectiveness

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the ;
- 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on
their behalf by:



Mr Steve Maltby
Joint Chair of Trustees

and signed on

18.11.2020

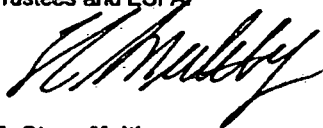
THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Heyfordian School Trust I have considered my responsibility to notify the academy board of Trustees and the Education & 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 Trustees 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 Trustees and ESFA.



Mr Steve Maltby
Joint Chair of Trustees

Date: 18/11/2020

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

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

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 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.

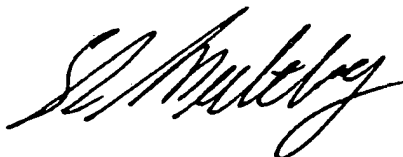
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

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

18.11.2020



Mr Steve Maltby
Joint Chair of Trustees

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HEYFORDIAN SCHOOL TRUST**

Opinion

We have audited the financial statements of The Heyfordian School Trust (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.

Material uncertainty related to going concern

We draw attention to the disclosure in note 1.3 in the financial statements concerning the company's ability to continue as a going concern. On 1st November 2020 the school transferred to a Multi Academy Trust (MAT). Approval was received for the transfer from both the Department of Education (DoE) and the Education and Skills Funding Agency (ESFA). It is the view of the Trustees of The Heyfordian School Trust that it will be possible to wind-up the Trust without liability. On this basis, the company is not a Going Concern, but no adjustments are required to the figures due to the transfer. Our opinion is not modified in this respect.

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HEYFORDIAN SCHOOL TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HEYFORDIAN SCHOOL TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

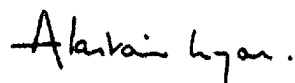
Auditors' responsibilities for the audit of the financial statements

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.

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.



Alastair Lyon (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 26 November 2020

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 19 September 2017 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 The Heyfordian School Trust 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 The Heyfordian School Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Heyfordian School Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Heyfordian School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Heyfordian School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Heyfordian School Trust's funding agreement with the Secretary of State for Education dated 1 September 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.

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
HEYFORDIAN SCHOOL TRUST 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.

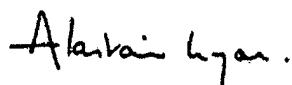
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

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.



Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 26 November 2020

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

**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 £
Income from:						
Donations and capital grants	3	8,154	-	13,300	21,454	151,254
Charitable activities	4	25,220	3,402,285	-	3,427,505	3,158,245
Other trading activities	5	205,642	6,164	-	211,806	257,899
Total income		239,016	3,408,449	13,300	3,660,765	3,567,398
Expenditure on:						
Charitable activities	6	194,526	3,791,647	403,635	4,389,808	3,988,358
Total expenditure		194,526	3,791,647	403,635	4,389,808	3,988,358
Net income/(expenditure)		44,490	(383,198)	(390,335)	(729,043)	(420,960)
Transfers between funds	16	(5,017)	(11,436)	16,453	-	-
Net movement in funds before other recognised gains/(losses)		39,473	(394,634)	(373,882)	(729,043)	(420,960)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(141,000)	-	(141,000)	(140,000)
Net movement in funds		39,473	(535,634)	(373,882)	(870,043)	(560,960)
Reconciliation of funds:						
Total funds brought forward		24,640	(456,985)	12,122,653	11,690,308	12,251,268
Net movement in funds		39,473	(535,634)	(373,882)	(870,043)	(560,960)
Total funds carried forward		64,113	(992,619)	11,748,771	10,820,265	11,690,308

The notes on pages 26 to 51 form part of these financial statements.

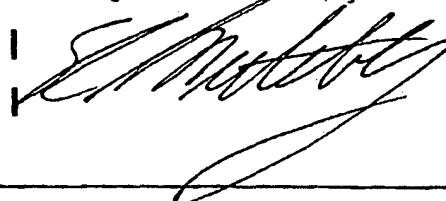
THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07926597

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	11,748,771	12,122,653
Current assets			
Debtors	13	143,191	213,428
Cash at bank and in hand		130,171	87,325
		<u>273,362</u>	<u>300,753</u>
Creditors: amounts falling due within one year	14	(209,249)	(267,098)
Net current assets		<u>64,113</u>	<u>33,655</u>
Creditors: amounts falling due after more than one year	15	(195,619)	-
Net assets excluding pension liability		<u>11,617,265</u>	<u>12,156,308</u>
Defined benefit pension scheme liability	24	(797,000)	(466,000)
Total net assets		<u><u>10,820,265</u></u>	<u><u>11,690,308</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	11,748,771	12,122,653
Restricted income funds	16	(195,619)	9,015
Restricted funds excluding pension asset	16	<u>11,553,152</u>	<u>12,131,668</u>
Pension reserve	16	(797,000)	(466,000)
Total restricted funds	16	<u>10,756,152</u>	<u>11,665,668</u>
Unrestricted income funds	16	64,113	24,640
Total funds		<u><u>10,820,265</u></u>	<u><u>11,690,308</u></u>

The financial statements on pages 23 to 51 were approved by the Trustees, and authorised for issue on 18/11/2020 and are signed on their behalf, by:

Mr Steve Maltby
Joint Chair of Trustees



THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	60,360	(92,671)
Cash flows from investing activities	20	(16,453)	89,652
Cash flows from financing activities	19	(1,061)	(1,104)
Change in cash and cash equivalents in the year		42,846	(4,123)
Cash and cash equivalents at the beginning of the year		87,325	91,448
Cash and cash equivalents at the end of the year	21, 22	<u>130,171</u>	<u>87,325</u>

The notes on pages 26 to 51 form part of these financial statements

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

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

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.

The Heyfordian School Trust meets the definition of a public benefit entity under FRS 102.

1.2 Charity information

The principal activity of the Heyfordian School Trust is to provide education for pupils aged 3 to 19. The Trust is an exempt charity and a company limited by guarantee (company number: 07926597). It is incorporated and domiciled in the UK. The address of the registered office is 74 Camp Road, Upper Heyford, Oxon, OX25 5HD.

1.3 Going concern

On 1st November 2020 the school transferred to the Eynsham Partnership Academy Trust for both educational and financial reasons. Approval was received for the transfer from both the Department of Education (DoE) and the Education and Skills Funding Agency (ESFA).

Following the transfer, it is proposed The Heyfordian School Trust be wound-up with no outstanding liabilities.

On this basis, the company is not a Going Concern, but no adjustments are required to the figures due to the transfer.

1.4 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

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Income (continued)

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.

1.5 Expenditure

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

- **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.

All resources expended are inclusive of irrecoverable VAT.

1.6 Taxation

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

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

THE HEYFORDIAN SCHOOL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2%
Furniture and equipment	- 20%
Computer equipment	- 20%

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.

1.8 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.

1.9 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.

1.10 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.

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Provisions

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

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

1.12 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 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.14 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

THE HEYFORDIAN SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Pensions (continued)

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.

1.15 Agency arrangements

The academy trust acts as an agent in receiving funds from parents, and subsequently distributing these to the suppliers of school trips. Payments received from parents and disbursements to suppliers are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

1.16 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 Trustees.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	8,154	-	8,154
Grants	-	13,300	13,300
	<u>8,154</u>	<u>13,300</u>	<u>21,454</u>
	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	10,749	-	10,749
Grants	-	140,505	140,505
<i>Total 2019</i>	<u>10,749</u>	<u>140,505</u>	<u>151,254</u>

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4. Funding for the academy's funding of the school trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
General Annual Grant (GAG)	-	2,867,692	2,867,692
Other DfE/EFA grants	-	349,321	349,321
Other Government grants	-	185,272	185,272
Trip income	25,220	-	25,220
	<u>25,220</u>	<u>3,402,285</u>	<u>3,427,505</u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
General Annual Grant (GAG)	-	2,737,110	2,737,110
Other DfE/EFA grants	-	240,381	240,381
Other Government grants	-	152,700	152,700
Trip income	28,054	-	28,054
<i>Total 2019</i>	<u>28,054</u>	<u>3,130,191</u>	<u>3,158,245</u>

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Lettings & other income	96,831	6,164	102,995
Catering income	81,109	-	81,109
Supply teacher insurance income	27,702	-	27,702
	<u>205,642</u>	<u>6,164</u>	<u>211,806</u>

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5. Income from other trading activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Lettings & other income	162,456	3,757	166,213
Catering income	88,684	-	88,684
Supply teacher insurance income	3,002	-	3,002
	<u>254,142</u>	<u>3,757</u>	<u>257,899</u>

6. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Funding of the School Trust's educational operations:				
Direct costs	2,756,000	403,635	204,745	3,364,380
Allocated support costs	492,222	55,278	477,928	1,025,428
	<u>3,248,222</u>	<u>458,913</u>	<u>682,673</u>	<u>4,389,808</u>

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Funding of the School Trust's educational operations:				
Direct costs	2,288,679	415,954	167,183	2,871,816
Allocated support costs	420,740	52,718	643,084	1,116,542
Total 2019	<u>2,709,419</u>	<u>468,672</u>	<u>810,267</u>	<u>3,988,358</u>

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7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Funding of the School Trust's educational operations	3,364,380	1,025,428	4,389,808

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Funding of the School Trust's educational operations	2,871,816	1,116,542	3,988,358

Analysis of direct costs

	Funding of the School Trust 2020 £	Total funds 2020 £
Staff costs	2,756,000	2,756,000
Depreciation	403,635	403,635
Educational supplies	22,937	22,937
Examination fees	28,290	28,290
Staff development	9,622	9,622
Educational consultancy	128,175	128,175
Other direct costs	15,721	15,721
Total 2020	3,364,380	3,364,380

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Funding of the School Trust 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	2,288,679	2,288,679
Depreciation	415,954	415,954
Educational supplies	53,550	53,550
Examination fees	24,419	24,419
Staff development	4,891	4,891
Educational consultancy	57,854	57,854
Other direct costs	26,469	26,469
Total 2019	2,871,816	2,871,816

Analysis of support costs

	<i>Funding of the School Trust 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	492,222	492,222
Recruitment and support	80,331	80,331
Maintenance of premises and equipment	55,278	55,278
Cleaning	68,397	68,397
Rents and rates	66,773	66,773
Security and transport	4,264	4,264
Catering	105,729	105,729
Other support costs	152,434	152,434
	1,025,428	1,025,428

Included within support costs are governance costs of £13,035 (2019: £12,655).

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Funding of the School Trust 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	420,740	420,740
Recruitment and support	83,339	83,339
Maintenance of premises and equipment	52,718	52,718
Cleaning	51,302	51,302
Rents and rates	98,325	98,325
Security and transport	2,679	2,679
Catering	168,166	168,166
Insurance	44,655	44,655
Other support costs	194,618	194,618
	<u>1,116,542</u>	<u>1,116,542</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	403,635	415,954
Fees paid to auditors for:		
- audit	13,035	12,655
- other services	2,935	2,845
	<u>13,970</u>	<u>15,500</u>

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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,373,136	2,062,762
Social security costs	207,653	184,335
Pension costs	667,433	462,322
	<u>3,248,222</u>	<u>2,709,419</u>

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

Included in staff costs are 2 (2019: 0) non-statutory/non-contractual severance payments totalling £58,985 (2019: £nil). Individually, the payments were £32,010 and £26,974 (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	33	32
Admin and support	51	46
Management	7	6
	<u>91</u>	<u>84</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-
In the band £90,001 - £100,000	2	-
In the band £100,001 - £110,000	-	1

For the above employees in 2019/20, pension contributions to the Teachers' Pension Scheme amounted to £51,532 (2019: £16,439).

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £584,282 (2019 £455,720).

10. Trustees' remuneration and expenses

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

		2020 £	2019 £
Gale Law	Remuneration	5,000 - 10,000	5,000 - 10,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Karen Healey	Remuneration	95,000 - 100,000	105,000 - 110,000
	Pension contributions paid	10,000 - 15,000	15,000 - 20,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £166).

11. Trustees' and Officers' insurance

The Academy has entered a voluntary Risk Protection Arrangement (RPA) with the Department for Education. The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise will be covered by government funds. This arrangement includes Trustees' liability and professional indemnity.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	13,121,491	328,087	608,514	14,058,092
Additions	-	13,606	16,147	29,753
At 31 August 2020	<u>13,121,491</u>	<u>341,693</u>	<u>624,661</u>	<u>14,087,845</u>
Depreciation				
At 1 September 2019	1,183,121	235,968	516,350	1,935,439
Charge for the year	262,656	60,622	80,357	403,635
At 31 August 2020	<u>1,445,777</u>	<u>296,590</u>	<u>596,707</u>	<u>2,339,074</u>
Net book value				
At 31 August 2020	<u>11,675,714</u>	<u>45,103</u>	<u>27,954</u>	<u>11,748,771</u>
At 31 August 2019	<u>11,938,370</u>	<u>92,119</u>	<u>92,164</u>	<u>12,122,653</u>

13. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	7,334	18,031
Other debtors	4,475	41,202
Prepayments and accrued income	131,382	154,195
	<u>143,191</u>	<u>213,428</u>

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14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	43,837	119,137
Other taxation and social security	64,458	50,117
Other creditors	55,563	44,786
Accruals and deferred income	45,391	53,058
	<u>209,249</u>	<u>267,098</u>

Included within the accruals and deferred income balance is £nil (2019: £13,300) of deferred income.

15. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other creditors	195,619	-
	<u>195,619</u>	<u>-</u>

The Education and Skills Funding Agency (ESFA) has agreed to defer recovery of of the £195,619 Pupil Number Adjustment (PNA) until the school reaches its full capacity of 840 pupils (anticipated to be by 2024/25).

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Reserves	24,640	239,016	(194,526)	(5,017)	-	64,113
Restricted general funds						
General Annual Grant	9,015	2,867,694	(3,060,892)	184,183	-	-
Long term liability Pupil Number Adjustment (see note 15)	-	-	-	(195,619)	-	(195,619)
Other Government Grants	-	185,271	(185,271)	-	-	-
Other DFE/EFSA Grant	-	349,320	(349,320)	-	-	-
School Fund	-	6,164	(6,164)	-	-	-
Pension reserve	(466,000)	-	(190,000)	-	(141,000)	(797,000)
	<u>(456,985)</u>	<u>3,408,449</u>	<u>(3,791,647)</u>	<u>(11,436)</u>	<u>(141,000)</u>	<u>(992,619)</u>
Restricted fixed asset funds						
Fixed Assets	12,122,653	-	(403,635)	29,753	-	11,748,771
EFA capital grant	-	13,300	-	(13,300)	-	-
	<u>12,122,653</u>	<u>13,300</u>	<u>(403,635)</u>	<u>16,453</u>	<u>-</u>	<u>11,748,771</u>
Total Restricted funds	<u>11,665,668</u>	<u>3,421,749</u>	<u>(4,195,282)</u>	<u>5,017</u>	<u>(141,000)</u>	<u>10,756,152</u>
Total funds	<u>11,690,308</u>	<u>3,660,765</u>	<u>(4,389,808)</u>	<u>-</u>	<u>(141,000)</u>	<u>10,820,265</u>

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

Restricted Fixed Asset Fund

Restricted Fixed Asset Fund represent the value of fixed assets held within the School for use in achieving charitable objectives.

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

16. Statement of funds (continued)

Restricted General Fund

The Academy's Restricted General Fund income is primarily EFA grants (including GAG), which must be used to meet the cost of running The Heyfordian School Trust.

Unrestricted Fund

The Unrestricted Fund represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the governing body. Transfers represent the transfer of the building running costs associated with lettings income.

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

16. 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						
Reserves	79,779	292,945	(288,084)	(60,000)	-	24,640
Restricted general funds						
General Annual Grant	(123,265)	2,737,110	(2,754,482)	149,652	-	9,015
Other Government Grants	-	152,700	(152,700)	-	-	-
Other DFE/EFSA Grant	-	240,381	(240,381)	-	-	-
School Fund	-	3,757	(3,757)	-	-	-
Pension reserve	(193,000)	-	(133,000)	-	(140,000)	(466,000)
	<u>(316,265)</u>	<u>3,133,948</u>	<u>(3,284,320)</u>	<u>149,652</u>	<u>(140,000)</u>	<u>(456,985)</u>
Restricted fixed asset funds						
Fixed Assets	12,487,754	-	(415,954)	50,853	-	12,122,653
Devolved capital formula	-	140,505	-	(140,505)	-	-
	<u>12,487,754</u>	<u>140,505</u>	<u>(415,954)</u>	<u>(89,652)</u>	<u>-</u>	<u>12,122,653</u>
Total Restricted funds	<u>12,171,489</u>	<u>3,274,453</u>	<u>(3,700,274)</u>	<u>60,000</u>	<u>(140,000)</u>	<u>11,665,668</u>
Total funds	<u>12,251,268</u>	<u>3,567,398</u>	<u>(3,988,358)</u>	<u>-</u>	<u>(140,000)</u>	<u>11,690,308</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. 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	-	-	11,748,771	11,748,771
Current assets	64,113	209,249	-	273,362
Creditors due within one year	-	(209,249)	-	(209,249)
Creditors due in more than one year	-	(195,619)	-	(195,619)
Provisions for liabilities and charges	-	(797,000)	-	(797,000)
Total	64,113	(992,619)	11,748,771	10,820,265

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	-	-	12,122,653	12,122,653
Current assets	300,753	-	-	300,753
Creditors due within one year	(240,331)	(26,767)	-	(267,098)
Provisions for liabilities and charges	-	(466,000)	-	(466,000)
Difference	(35,782)	35,782	-	-
Total	24,640	(456,985)	12,122,653	11,690,308

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

18. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(729,043)	(420,960)
Depreciation	403,635	415,954
Bank charges	1,061	1,104
Decrease/(increase) in debtors	70,237	(113,959)
Increase in creditors	137,770	32,695
Capital grants from DfE and other capital income	(13,300)	(140,505)
Defined benefit pension scheme cost less contributions payable	179,000	126,000
Defined benefit pension scheme finance cost	11,000	7,000
Net cash provided by/(used in) operating activities	60,360	(92,671)

19. Cash flows from financing activities

	2020 £	2019 £
Bank charges	(1,061)	(1,104)
Net cash used in financing activities	(1,061)	(1,104)

20. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(29,753)	(50,853)
Capital grants from DfE Group	13,300	140,505
Net cash (used in)/provided by investing activities	(16,453)	89,652

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	130,171	87,325
Total cash and cash equivalents	130,171	87,325

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	87,325	42,846	130,171
	87,325	42,846	130,171

23. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	11,840	-

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 Oxfordshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £43,062 were payable to the schemes at 31 August 2020 (2019 - £42,914) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

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 £359,341 (2019 - £186,649).

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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 £153,000 (2019 - £140,000), of which employer's contributions totalled £118,000 (2019 - £108,000) and employees' contributions totalled £ 35,000 (2019 - £32,000). The agreed contribution rates for future years are 5.5 per cent for employers and 12.5 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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.20	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	2.30
Inflation assumption (CPI)	2.20	2.30

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.2	22.7
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	22.9	24.0
Females	25.6	25.7

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
0.5% decrease in Real Discount Rate	224	137
0.5% increase in the Pension Increase Rate	212	136

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

	2020 £	2019 £
Equities	70	69
Bonds	20	21
Property	6	6
Cash and other liquid assets	4	4
Total market value of assets	100	100

The actual return on scheme assets was -0.1% (2019: 5.8%).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(297,000)	(234,000)
Interest income	11,000	11,000
Interest cost	(21,000)	(7,000)
Total amount recognised in the Statement of Financial Activities	(307,000)	(230,000)

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24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	921,000	487,000
Current service cost	297,000	215,000
Interest cost	21,000	17,000
Employee contributions	35,000	32,000
Actuarial losses	222,000	151,000
Benefits paid net of transfers	(1,000)	-
Past service costs	-	19,000
At 31 August	1,495,000	921,000

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

	2020 £	2019 £
At 1 September	455,000	294,000
Expected return on assets	10,000	10,000
Actuarial gains	81,000	11,000
Employee contributions	35,000	32,000
Employer contributions	118,000	108,000
Benefits paid net of transfers	(1,000)	-
At 31 August	698,000	455,000

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	46,204	48,746
Later than 1 year and not later than 5 years	87,112	128,274
Later than 5 years	-	5,820
	133,316	182,840

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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 Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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.

During the year, charges for shared internet services were invoiced to Heyford Park Settlement LP. This is a related party by virtue of a shared director, being Mr P Silver. Comparative costs were gained from other suppliers locally, and all dealings were conducted through normal procurement and payment procedures. Transactions during the year amounted to £5,192 (2019: £6,884) excluding VAT. No amounts were outstanding at the year end.

During the year, charges for sewage were invoiced from County Water Limited. This is a related party by virtue of a shared director, being Mr P Silver. Transactions during the year amounted to £3,094 (2019: £2,418) excluding VAT. All amounts were outstanding at the year end.

28. Agency arrangements

The academy trust receives funds from students and distributes these to multiple trip suppliers as an agent for the trip supplier. In the accounting period ending 31 August 2020 the academy trust received £26,150 and distributed £27,666 from the fund. An amount of £1,516 is payable by the school.