

**Crosby On Eden Church of England Primary School
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2020**

**Company Registration Number:
08242198 (England and Wales)**



Crosby On Eden Church of England Primary School

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Reference and Administrative Details

Company Name	Crosby on Eden Church of England Primary School
Company Registration Number	08242198 (England and Wales)
Principal and Registered Office	Crosby on Eden Church of England Primary School Crosby on Eden, Carlisle, Cumbria, CA6 4QN
Members	<i>*Carlisle Diocesan Board of Finance Limited (Mr M Mill to 5th December 2019, Mrs Sharon Parr)</i> <i>*Mr J Ditchburn (Chair of Governors)</i> <i>Miss L Day (Member)</i> <i>Mr R MacKenna (Co-opted Governor)</i>
Trustees	Mr R Gordon (Foundation Governor) Mrs J Dalgleish (Head Teacher/Ex Officio) Miss D Fox (Staff-Governor) Mrs S Dinwoodie (Staff-Governor) Mrs S Cooper (Parent Governor) Mr M Plummer (Parent Governor) Rev. S Collis (Ex Officio) - <i>resigned 26th January 2020</i> Mr D Taylor (Parent Governor) - <i>appointed 3rd December 2019</i> Mrs R Martin (Parent Governor) - <i>appointed 3rd December 2019</i> <i>* Also a Trustee of the company</i>
Company Secretary	Mr R Gordon
Clerk to the governors	Mrs L Wood
Senior Management Team: - Principal	Mrs J Dalgleish
Independent Auditor	Saint & Co Chartered Accountants & Statutory Auditor Sterling House, Wavell Drive, Rosehill Carlisle, Cumbria, CA1 2SA
Bankers	Lloyds Bank Plc Lowther Street, Carlisle Cumbria, CA3 8DB The Cumberland Building Society 19 Front Street Brampton CA8 1NG
Solicitors	Womble Bond Dickinson St Ann's Wharf, 112 Quayside Newcastle Upon Tyne, NE1 3DX

TRUSTEES' ANNUAL REPORT

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

The Trustees

The trustees who served the company during the period were as follows:

Carlisle Diocesan Board of Finance Limited (Mr M Mill / Mrs S Parr)
Mr Jonny Ditchburn (Chair of Governors)
Mrs L Day (Member)
Mr R Mackenna (Member)

Along with the Directors

Mr R Gordon (Foundation Governor)
Mrs J Dalgleish (Ex Officio)
Mrs S Dinwoodie (Staff Governor)
Mrs S Cooper (Parent Governor)
Rev S Collis (Ex Officio) - *resigned 26th January 2020*
Miss D Fox (Staff Governor)
Mr M Plummer (Parent Governor)
Mr D Taylor (Parent Governor)
Mrs R Martin (Parent Governor)

All of whom are Governors of the School.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The members act as the trustees for the charitable activities of Crosby on Eden School. All governors are directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Crosby on Eden Church of England Primary School.

Details of the governors and directors who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

Crosby on Eden C of E Primary School has liability insurance in place, note 12 refers.

Principal Activities

The Academy Trust's principal activities are the operation of Crosby on Eden Church of England Primary School to provide education for pupils of all abilities between the ages of 3 and 11. The school will be at the heart of the community, promoting community cohesion and sharing facilities with other schools and the wider community.

Method of Recruitment and Appointment or Election of Governors

The members may appoint Governors as per Memorandum and Articles. The Members may appoint Staff Governors through such process as they may determine provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors. A minimum of two and no more than four Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when elected. The Governors may appoint up to three Co-opted Governors. The secretary of State may appoint such additional Governors as he thinks fit. The term of office for any Governor shall be four years, save that this time limit shall not apply to the Principal (Head Teacher).

TRUSTEES' ANNUAL REPORT (continued)

Policies and Procedures Adopted for Induction and Training of Governors

The induction of Governors includes a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of minutes, budgets, plans and other documents that they will need to undertake their role as Governors and opportunities for training in relation to their role.

Organisational Structure

On a day to day basis the operational running of the Academy has been delegated to the Head Teacher. The Head Teacher acts as the Accounting Officer. The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by use of budgets and other data and making decisions about the direction of the Academy and capital expenditure. Staff appointments are made by the Head Teacher.

Arrangements for setting key personnel pay

The members of the Leadership & Management Sub-Committee team undergo an annual performance management process. Where objectives are set at the start of each academic year and monitored throughout the year. An end of year review is undertaken by the Headteacher and then shared with the Leadership & Management Sub-Committee.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching provisions of the facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess and review risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, safeguarding and learning outside the classroom) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. safer recruitment, supervision of school grounds and visitors) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Related Parties and other Connected Charities and Organisations

The Academy Trust has a PTA constitution which fund-raises on our behalf. They hold approximately 8 fund-raising events throughout the academic year raising money to enhance the school life of the pupils.

The Academy Trust rents play-ground space from the PCC at a very minimal annual amount. This provides the children with ample space to play during break-times.

Gordon Consultancy filed the Academy Trust's Companies House Annual return.

Objectives and Activities

Objects and Aims

The Academy Trust's objective is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular relation to arranging for religious education and daily acts of worship and in having regard to the advice of the Diocesan Board of Education. And to advance any other purposes which are exclusively charitable and within the laws of England and Wales as may be determined by the Trustees.

The additional aims of the Academy are that Crosby on Eden C of E Primary School will give each child a broad and balanced education which will help him/her acquire the skills and knowledge that will enable him/her to adapt to the many varied and new situations which occur in a fast changing world. The school is committed to ensuring every child achieves their full potential but at the same time find enjoyment in their routes to achievement. As a Church of England School this is achieved through embedding Christian Values into the underlying ethos of support and encouragement for all members of our school community.

TRUSTEES' ANNUAL REPORT (continued)

Objectives and Activities (continued)

In achieving this we will:

- Motivate and inspire children to become independent learners able to fulfil their potential.
- Teach children to be caring and supportive members of the school community, demonstrating this same level of respect towards their environment, family and local community. Be able to extend this respect towards people they come across in their daily lives.
- Teach children to be caring and supportive of others, to empathise and understand other views, to have skills to challenge others appropriately.
- Give children opportunities to use their initiative and sense of responsibility to solve challenges.
- Enable pupils to appreciate the efforts of others and have a positive outlook on their own and others' achievements.
- Encourage children to develop a keen sense of fair play.
- Give opportunities for children to appreciate their local environment.
- Allow children to have an understanding of the faiths/cultures that exist in the world around them.
- Carry out an act of daily collective worship which is essentially of a Christian nature.
- Provide children with a range of opportunities to explore our common British Values

Opportunities

The school ensures that during curricular and extra-curricular time we provide children with a range of opportunities:

- To participate in a range of sporting activities, to receive quality instruction.
- To have a sound understanding of what constitutes a healthy lifestyle
- To explore the outdoor environment through regular Forest School visits.
- To recognise and develop their own individual talents.
- To socialise and interact with people from a range of backgrounds and cultures.
- To participate in / observe a range of cultural events.
- To experience the positive Christian ethos engendered through being a member of a church school.

Objectives, Strategies and Activities

To achieve our objects and aims the Academy is governed, led and managed in a way which facilitates self-critical review, ambitious but realistic strategic planning, prudent budgeting and effective development planning. It is also outward-looking since it involves analysis of aspects of a changing world and other political, social and economic factors which may affect the nature and relevance of our provisions and the demand for the education we offer. Good communications is vital so that pupils, parents and staff feel engaged and clear about the Academy's values, purpose and direction.

The long term aims, objectives and strategies are reviewed annually during a development planning process. The Head Teacher reports on progress in implementing the development plan to Governors on a termly basis.

Throughout the year Governors review the Academy's effectiveness using a number of agreed performance indicators including statistical data relating to academic performance. The Academy also has a programme of staff performance, appraisal and target setting.

Medium to long term objectives include:

- Providing the best possible outcomes for children, through working to achieve the highest standards in teaching and learning, pastoral care and the extra-curricular programmes, so that each child thrives at the Academy.
- The development of an engaging, rigorous curriculum that utilises our local environment is led by our own curriculum drivers and ultimately develops a love of learning.
- Maintaining and further developing our buildings and resources to provide facilities for the 21st Century.
- Establishing highly effective staff through providing continuous professional development, thus enabling them to respond effectively to the changing demands of their roles.
- Utilising the latest developments in information technology to improve outcomes in teaching and learning, communication and information management.
- Remaining financially stable, with strong control on expenditure and obtaining best value in financial decision making.
- Fostering good relations with all our stakeholders.

TRUSTEES' ANNUAL REPORT (continued)

Public Benefit

All the activities undertaken by the Academy Trust are for the education of its pupils and the good of the wider local community. The Academy has a defined catchment area and is still a local community school providing education for the local population with pupils admitted in Nursery and via in-year transfers through the Local Authority admissions department. These admissions arrangements are available to all regardless of whether they are in catchment or are currently living in the local area or moving into the area from another part of the country.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

STRATEGIC REPORT

Achievements and Performance

Crosby on Eden Church of England Primary School provides an outstanding education for its pupils and prepares them extremely well for the next stage in their education. This includes their personal development as well as their academic achievement. Fundamental to our aim to enhance pupils' achievements is our commitment to developing the accomplishments of the 'whole child', including: their self-awareness of themselves and others as learners both in local and global terms; their ability to make a positive impact upon society and their ability to reflect upon the values which guide their daily lives. We are a church school in which 'relationships between all members of the school community are excellent; staff and children demonstrate compassion and kindness' (SIAMS 'Outstanding' 2015). The school has strong links with the church, the local community and local cluster schools. We have close links with our local secondary school, which eases transition of our Year 6 pupils as they start secondary education. Personal development is additionally enhanced by promoting self-development, team building, resilience and independence through Forest School experiences.

Key Performance Indicators

The academic year 2019-2020 has been a challenging one globally due to the coronavirus (COVID-19) pandemic imposing a period of national lockdown in England during March to the end of the academic year with the school opening in June for vulnerable children and the children of critical workers and providing home learning for our children who remained at home.

The Government announced that all exams were cancelled in their normal form and therefore SATs tests, phonics tests, and multiplication tests were not undertaken.

No other assessments went ahead and therefore no data is available for the end of EYFS, KS1 or KS2.

During the autumn and spring term, pupils continued to benefit from a range of sporting opportunities and they competed in a variety of local sporting competitions including gymnastics, cross country and football. We continue to provide a number of extra-curricular clubs to enrich the taught curriculum which we run after school. These clubs ran throughout the Autumn and Spring terms during 2019-2020, were led by staff, parents and coaches from external organisations and change on a termly basis. Harvest, Advent, Christmas and Easter events reinforce the Christian basis of these festivals and our whole school values. Unfortunately this year, we were unable to focus on Easter due to the period of national lockdown. Other events encompass sport, culture, charity work, well-being and creativity. We pride ourselves on the health and fitness of our pupils. Close links with local secondary schools and their feeder primaries ensures pupils of all ages experience sports festivals, music and drama festivals and intra and inter school competitions, enabling pupils to collaborate and learn with children from the wider community.

In music, children are able to access woodwind, brass, keyboard and guitar lessons. We also have an active choir. Both have performed regularly at our local music festival and in community and church events. Some of our Key Stage 1 and 2 pupils took part in the Carlisle and District Music and Drama Festival. In the year 2019-2020 our KS1 pupils achieved 1st place and our KS2 Choir achieved 2nd place. All pupils have the opportunity to perform in: Christmas productions; Harvest festival; Nativity/Christmas and Easter Services. Children also regularly plan, organise and present class worship.

TRUSTEES' ANNUAL REPORT (continued)

Pupils in Key Stage 2 have the opportunity to attend residential visits with a focus on outdoor and adventurous activities. Unfortunately, due to COVID-19 and the national lockdown, in 2019-20 the residential trips for Lower Key Stage 2 pupils and Upper Key Stage 2 pupils were cancelled. Throughout the year pupils had the opportunity to go on a range of trips and visits to enhance their learning experiences. The children have also organised and undertaken various fundraising events during the year linked to current affairs and global issues such as child poverty.

Our partnership with parents continues to go from strength to strength. Our active PTA have organised a number of varied events to successfully raise funds for the school. We celebrate and share our children's achievements with parents at every opportunity: they are vigorously encouraged to play a proactive role in their children's education; to this end we hold many learning based events in school for parents, such as 'Awesome Endings' which is an open afternoon for parents to celebrate pupils' learning. We have many parent helpers who come into school to hear children read and also many parent volunteers who join us on our 'Forest School' excursions.

Due to COVID-19 we took the opportunity to establish an online learning platform for children in KS1 and KS2 in order to continue learning during the period of partial school closure. We continued to use Tapestry for children in EYFS. We contacted families by telephone, weekly to establish an ongoing dialogue.

The ethos evident at Crosby on Eden CofE Primary Academy continues to be best summarised by our school vision:

"I have come in order that you might have life - life in all its fullness." John 10:10

We prepare children for their futures. We want them to have an impact on their world. We want them to feel fulfilment in their life and to flourish. We support them to develop resilience and to grow as individuals within our local community and God's wider world.

Underpinned by our core values of:

- Respect
- Trust
- Friendship
- Perseverance

TRUSTEES' ANNUAL REPORT (continued)

Strategic Report (continued)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

Funding for the year was provided by the DfE via ESFA by means of standard grants to cover operational and capital costs at each academy. Additional funds were received from bank interest and from sales to students for meals, uniform and photographs.

Income for the year was £483,092 (2019: £491,372). This was made up of donations and capital grants £6,269 (2019: £16,018), funding for the academy trust's educational operations £467,971 (2019: £463,616), other trading activities £8,290 (2019: £11,200) and income from investments £562 (2019: £538). Expenditure for the year was £561,036 (2019: £526,824), giving net expenditure for the year of £77,944 (2019: net expenditure £35,452).

The Academy has a healthy cash surplus which The Governing Body would like to retain for any future expense in order to safeguard the school going forward.

Reserves Policy

The Trustees have determined an appropriate level of free reserves (total funds less amount held in tangible assets, restricted and designated funds), that represent the amount deemed to be necessary to deal with unexpected emergencies. The Trustees have considered the need for reserves and will continue to assess the required level.

The Local Government Pension Scheme as it relates to the Academy as part of the combined Cumbria pension fund has been valued by the actuary as having a net deficit of £214,000 as at 31st August 2020. This is a material figure in terms of the Academy's total assets and further details on the figures are included in note 23 to the accounts. The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with ESFA guidance

The Academy had total funds at 31 August 2020 of £1,038,762 which included £10,324 restricted funds not available for general purposes of the Academy Trust, £107,354 of free reserves defined as unrestricted funds available for general purposes and £1,135,084 which can only be realised by the disposal of tangible fixed assets. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £117,678.

Investment Policy

Our investment policy is low risk and funds will only be lodged with organisations with a good credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

Principal Risks and Uncertainties

In common with every academy in the country funding is dependent on government policy and the Trust is working to identify potential implications of the Government's proposals to change the funding methodology for state funded schools. Trustees have accordingly been prudent in budgeting for the future and have already factored in the withdrawal of the transitional protection.

TRUSTEES' ANNUAL REPORT (continued)

Financial and Risk Management Objectives and Policies

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

Plans for Future Periods

Objectives for 2020/21

Our objectives for the year ahead are to further strengthen and embed the progress of the Trust, leading it forward with strong, visionary, collaborative leadership. Specifically this means:

- To have enjoyment of learning at the heart of all we do.
- To have a challenging, fun, creative and engaging curriculum where everyone is motivated to achieve their best.
- To foster spirituality, awe and wonder.
- Enhancing our understanding of ourselves as global learners and developing our appreciation of and involvement in concerns that affect children across the world.

We have entered the first year of our development plan. We have introduced Accelerated Reader and intend to embed this during the course of the year. Finishing postponed training and securing the children's and staff skills in its use. We aim to furnish the reading room, and purchase additional technology to support the use of the package.

We are developing our remote learning provision across the school to support home learning when children have to be absent from school. This has included CPD for staff.

We continue to develop our curriculum. We will embed the use of The Essentials Curriculum and develop our use on Knowledge Organisers to support teaching and learning.

We have introduced a new scheme for PSHE and SRE and will develop this across school.

We will continue to adapt to the ever-changing world with the prevalence of Covid19 and support our children educationally and emotionally. Providing support and training for staff, as well as for children.

Auditor

Insofar as the trustees are aware:

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

Saint & Co are deemed to be re-appointed in accordance with an elective resolution made under section 485 of the Companies Act 2006 which continues in force under the Charities Act 2011.

The trustees' report, incorporating a strategic report was approved by order of the board of trustees as the company directors, on 8/12/2020 and signed on the board's behalf by:



Mr. Hitchburn
Chair of Trustees

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to Mrs J Dalglish, 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 Crosby on Eden Church of England Primary School and the Secretary of State for Education. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Annual 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 Trustees was as follows:

Mr J Ditchburn (Chairperson)	6 out of 7
Mr R Gordon (Co-Vice Chair)	7 out of 7
Mrs S Cooper (Co-Vice Chair)	6 out of 7
Mr R MacKenna (Co-Opted Governor)	7 out of 7
Mrs J Dalglish (Headteacher)	7 out of 7
Miss D Fox (Staff-Governor)	7 out of 7
Mrs S Dinwoodie (Staff-Governor)	7 out of 7
Mr M Plummer (Parent Governor)	5 out of 7
Mr D Taylor (Parent Governor)	5 out of 6 (Appointed Nov 2019)
Mrs R Martin (Parent Governor)	6 out of 6 (Appointed Nov 2019)
Rev S Collis (Ex Officio)	0

We welcomed two new parent governors, Mr D Taylor and Mrs R Martin who commenced their roles on 1st November 2019.

Sadly Rev S Collis died in October 2019. Mrs F Robertson (Rev S Robertson's wife) attended governor meetings to represent the Church until the end of the academic year 2019-2020. We were then notified by the Diocese that Rev S Robertson will assume the role of Ex-Officio from the academic year 2020-21.

Due to the COVID-19 pandemic, meetings after March 2020 took place via Zoom.

Governance Reviews

The Governing Body AGM was held in December 2019 and was attended by Mr M. Mill the Diocesan Director of Education and Mrs S. Parr who took over Mr M Mill role within the Diocese from 5th December 2019.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to: allocate and monitor financial resources effectively and efficiently in line with the Academies Accounts Direction 2019 to 2020 in order to meet the short, medium and long term objectives of the Charitable Company.

Attendance at meetings in the year was as follows:

Mrs J Dalglish (Headteacher)	4 out of 4
Mr R Gordon	4 out of 4
Mr J Ditchburn	4 out of 4
Mr R MacKenna	4 out of 4

The Leadership & Management Committee is a sub-committee of the main board of trustees. Its purpose is to support the head to set the strategic direction of the school and to provide robust governance around Ofsted requirements.

Attendance at meetings in the year was as follows:

Mrs J Dalglish (Headteacher)	2 out of 2
Mr J Ditchburn	2 out of 2
Mr M Plummer	2 out of 2
Mr D Taylor	2 out of 2
Mrs S Cooper	2 out of 2

GOVERNANCE STATEMENT (continued)

The Learning & Teaching Committee is a sub-committee of the main board of trustees. Its purpose is to ensure the curriculum is fit for purpose and providing an outstanding education for all pupils.

Attendance at meetings in the year was as follows:

Mrs J Dalglish (Headteacher)	2 out of 2
Miss D Fox	2 out of 2
Mrs S Dinwoodie	2 out of 2
Mrs S Cooper	2 out of 2
Mrs R Martin	1 out of 1 (Appointed Nov 2019)

Review of Value for Money

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

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

- Carrying out a full analysis of staffing costs and identifying where efficiencies and savings could be made in the academic year 2019-20.
- Continuing to save significantly on potential supply teacher costs by deploying our HLTAs more strategically to deliver cover lessons when required. Along with the Headteacher covering PPA for two classes and lessons as necessary.
- Business Manager tightening up on services to school and price checking resources to gain best value.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Crosby on Eden Church of England Primary School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the financial statements. This process is reviewed regularly by the Governing Body.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures 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 Governing Body;
- Regular reviews by the board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

GOVERNANCE STATEMENT (continued)

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Robert Gordon, a trustee, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

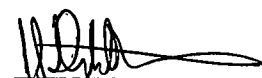
Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Head Teacher has been advised of the implications of the result of their review of the system of internal control by the board, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 8/12/2020 and signed on its behalf by:



Mr J Ditchburn
Chair of Trustees



Mrs J Dagleish
Headteacher & Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Crosby on Eden Church of England Primary School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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.



Mrs J Dalglish

Headteacher & Accounting Officer

Date: 8.12.20

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Crosby on Eden Church of England Primary School for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise) 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 of the company for that period. In preparing these financial statements, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on8/12/.....2020 and signed on its behalf by:


Mr. Ditchburn
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSBY ON EDEN CHURCH OF ENGLAND PRIMARY SCHOOL

OPINION

We have audited the financial statements of Crosby On Eden Church of England Primary School ('the charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

BASIS FOR OPINION

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

CONCLUSION RELATING TO GOING CONCERN

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSBY ON EDEN CHURCH OF ENGLAND PRIMARY SCHOOL (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 auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters 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 the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROSBY ON EDEN CHURCH OF ENGLAND PRIMARY SCHOOL (continued)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees Responsibilities (set out on page 13), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Stuart Farrer (Senior Statutory Auditor)

For and on behalf of

Saint & Co

Chartered Accountants

& Statutory Auditors

Sterling House
Wavell Drive
Carlisle
Cumbria,
CA1 2SA

15.12. 2020

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO CROSBY ON EDEN CHURCH OF ENGLAND PRIMARY SCHOOL AND THE
EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 October 2017 and further to the requirements of the Education & 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 academy trust during the period 01 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

RESPECTIVE RESPONSIBILITIES OF THE ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Crosby On Eden Church of England Primary School's funding agreement with the Secretary of State for Education dated 5 October 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO CROSBY ON EDEN CHURCH OF ENGLAND PRIMARY SCHOOL AND THE
EDUCATION & SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw our conclusion includes:

- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual payments for staff have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governor's declaration of interests.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

USE OF OUR REPORT

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

Mr Stuart Farrer (Reporting Accountant)

For and on behalf of
Saint & Co

Chartered Accountants & Statutory Auditors

Sterling House, Wavell Drive, Rosehill,
Carlisle, Cumbria, CA1 2SA

Date: 15.12.20

**Statement of Financial Activities
for the year ended 31 August 2020
(including Income and Expenditure Account)**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020	Total 2019
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	645	5,624	-	6,269	16,018
Charitable activities:						
Funding for the academy trust's educational operations	4	9,526	453,347	5,098	467,971	463,616
Other trading activities	5	4,220	4,070	-	8,290	11,200
Investments	6	562	-	-	562	538
Total		14,953	463,041	5,098	483,092	491,372
Expenditure on:						
Raising funds	7	10,813	19,234	-	30,047	30,862
Charitable activities:						
Academy trust educational operations	8	1,548	495,771	33,670	530,989	495,962
Total		12,361	515,005	33,670	561,036	526,824
Net income / (expenditure)		2,592	(51,964)	(28,572)	(77,944)	(35,452)
Transfers between funds	9	(19,670)	19,670		-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16,23	-	40,000	-	40,000	(99,000)
Net movement in funds		(17,078)	7,706	(28,572)	(37,944)	(134,452)
Reconciliation of funds						
Total funds brought forward		124,432	(211,382)	1,163,656	1,076,706	1,211,158
Total funds carried forward		107,354	(203,676)	1,135,084	1,038,762	1,076,706

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of other comprehensive income has not been prepared.

All of the above amounts relate to continuing activities.

Statement of Financial Position as at 31 August 2020

Company Number 08242198

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	13		1,108,643		1,138,464
Current assets					
Debtors	14	11,428		16,018	
Cash at bank and in hand		<u>167,140</u>		<u>165,941</u>	
		178,568		181,959	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(34,449)</u>		<u>(26,717)</u>	
Net current assets			<u>144,119</u>		<u>155,242</u>
Total assets less current liabilities			1,252,762		1,293,706
Creditors: Amounts falling due after more than one year					
Net assets excluding pension liability			<u>1,252,762</u>		<u>1,293,706</u>
Defined benefit pension scheme liability	23		<u>(214,000)</u>		<u>(217,000)</u>
Total assets			<u>1,038,762</u>		<u>1,076,706</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	16	1,135,084		1,163,656	
. Restricted income fund	16	10,324		5,618	
. Pension reserve	16	<u>(214,000)</u>		<u>(217,000)</u>	
Total restricted funds			931,408		952,274
Unrestricted income funds	16		<u>107,354</u>		<u>124,432</u>
Total funds			<u>1,038,762</u>		<u>1,076,706</u>

The financial statements were approved by the trustees, and authorised for issue on 8/12/2020 and are signed on their behalf by:



Mr J Ditchburn
Chair of Trustees

**Statement of Cash Flows
for the year ended 31 August 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	(611)	(7,250)
Cash flows from investing activities	20	1,810	9,992
Change in cash and cash equivalents in the reporting period		1,199	2,742
Cash and cash equivalents at 1 September 2019		165,941	163,199
Cash and cash equivalents at the 31 August 2020	21	167,140	165,941

Notes to the Financial Statements for the period ended 31 August 2020

1 General information

The academy is a private company limited by guarantee, registered in England and Wales and an exempt charity in England and Wales. The address of the registered office is Crosby On Eden Church of England Primary School, Crosby on Eden, Carlisle, Cumbria, CA6 4QN, United Kingdom.

2 Statement of Accounting Policies

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

Basis of Preparation / Statement of Compliance

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Crosby on Eden Church of England Primary School meets the definition of a public benefit entity under FRS 102.

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

Going Concern

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

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

2 Statement of Accounting Policies (continued)

Income

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

- **Grants**

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 Statement of Financial Position. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

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

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 support costs involved in undertaking each activity.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

2 Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £500 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 Statement of Financial Position 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 Statement of Financial Position. 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, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

• Long leasehold buildings	50 years Straight Line
• Long leasehold Land	Not depreciated
• Computer Equipment	25% Reducing Balance
• Fixtures & Fittings	15% Reducing Balance
• Other Equipment	25% Reducing Balance

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

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial Instruments

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

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

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

Taxation

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

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

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

2 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position 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.

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pensions 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.

Critical areas of judgement

The academy trust doesn't believe there are any judgements (apart from those involving estimation) that have a significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

3 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Capital Grants	-	5,098	5,098	11,085
Donations	645	526	1,171	4,933
	<u>645</u>	<u>5,624</u>	<u>6,269</u>	<u>16,018</u>

The income from donations and capital grants was £6,269 (2019: £16,018) of which £645 was unrestricted (2019: £3,706), £526 restricted (2019: £1,227) and £5,098 restricted fixed assets (2019: £11,085).

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	387,155	387,155	367,878
Other DfE/ESFA grants	-	41,491	41,491	42,759
	<u>-</u>	<u>428,646</u>	<u>428,646</u>	<u>410,637</u>
Other Government grants				
Local authority grants	-	28,853	28,853	23,711
Special educational projects	-	-	-	-
	<u>-</u>	<u>28,853</u>	<u>28,853</u>	<u>23,711</u>
Other income from the academy trust's educational operations				
Catering income	9,526	-	9,526	15,450
Trip Income	-	946	946	13,818
	<u>9,526</u>	<u>946</u>	<u>10,472</u>	<u>29,268</u>
	<u>9,526</u>	<u>458,445</u>	<u>467,971</u>	<u>463,616</u>

The income from funding for the academy trust's educational operations was £467,971 (2019: £463,616) of which £9,526 was unrestricted (2019: £15,450), £458,445 restricted (2019: £448,166) and £nil restricted fixed assets (2019: £nil).

5 Other Trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Adult Education	680	-	680	970
Other Income	3,540	4,070	7,610	10,230
	<u>4,220</u>	<u>4,070</u>	<u>8,290</u>	<u>11,200</u>

Income from activities for generating funds was £8,290 (2019: £11,200) of which £4,220 (2019: £11,200) was unrestricted and £4,070 (2019: £nil) was restricted.

6 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Bank Interest receivable	562	-	562	538
	<u>562</u>	<u>-</u>	<u>562</u>	<u>538</u>

The income from investments was £42 (2019: £538) of which all £42 was unrestricted (2019: £538).

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

7 Expenditure

	Staff Costs	Non Pay Premises	Expenditure Other	Total 2020	Total 2019
	£	£	£	£	£
Expenditure on raising funds	20,999	-	9,048	30,047	30,862
Academy's educational operations:					
. Direct costs	354,455	16,835	25,602	396,892	377,532
. Allocated support costs	60,347	42,559	31,191	134,097	118,430
	435,801	59,394	65,841	561,036	526,824

The expenditure (excluding exceptional expenditure) incurred by the academy trust was £561,036 (2019: £526,824) of which £12,361 (2019: £17,392) was unrestricted, £515,005 (2019: £473,308) was restricted general funds and £33,670 (2019: £36,124) was restricted fixed asset funds.

Net income/(expenditure) for the period includes:

	2020	2019
	£	£
Operating lease rentals	896	896
Depreciation	33,671	36,122
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit	3,415	3,250
- other services	2,350	2,906

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

8 Charitable Activities

	Total 2020 £	Total 2019 £
Direct costs – educational operations	396,892	377,532
Support costs – educational operations	134,097	118,430
	530,989	495,962

Analysis of support costs	Educational operations £	Total 2020 £	Total 2019 £
Support staff costs	60,347	60,347	46,912
Depreciation	16,836	16,836	18,062
Premises costs	25,723	25,723	26,026
Legal Costs	350	350	363
Other support costs	15,838	15,838	12,277
Governance Costs	15,003	15,003	14,790
Total support costs	134,097	134,097	118,430

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

9 Fund Transfers

The following transfers have taken place during the year;

Transfer from Unrestricted Funds to Restricted GAG funds of 19,670 in order to prevent there being a GAG deficit balance carried forward.

The transfer between GAG and other restricted funds relates to the excess of educational visits expenditure costs over educational visits income from parents.

Notes to the Financial Statements for the period ended 31 August 2020

(continued)

10 Staff

a. Staff costs

Staff costs during the period were:

	Total 2020 £	Total 2019 £
Wages and salaries	312,411	302,204
Social security costs	20,797	22,203
Operating costs of defined benefit pension schemes	102,593	57,303
	435,801	381,710
Supply staff costs	-	-
Staff restructuring costs	-	-
	435,801	381,710

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are severance payments totalling £nil (2019: £nil).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	5	6
Administration and support	5	5
Management	-	-
	10	11

d Higher paid staff

No employee received employee benefits (excluding employer pension costs) of more than £60,000 during the year (2019 - nil).

e Key management personnel

The key management personnel of the academy trust comprise the Headteacher and Staff Governors 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 trust was £140,760 (2019: £129,140).

**Notes to the Financial Statements for the period ended 31 August 2020
(continued)**

11 Related Party Transactions - Trustees' Remuneration and Expenses

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

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

Mrs J Dalgleish (principal and trustee)(appointed 1st September 2019):

- . Remuneration £55,000 - £59,999
- . Employer's pension contributions paid £10,000 - £14,999

S Dinwoodie (staff trustee):

- . Remuneration £20,000 - £24,999 (2019: £20,000 - £24,999)
- . Employer's pension contributions paid £0 - £4,999 (2019: £0 - £4,999)

D Fox (staff trustee):

- . Remuneration £35,000 - £39,999 (2019: £25,000 - £29,999)
- . Employer's pension contributions paid £5,000 - £9,999 (2019: £5,000 - £9,999)

During the period ended 31 August 2020, no expenses were paid out to trustees, except those paid to staff trustees on behalf of expenses incurred while undertaking the roles of principal and staff and not in respect of their services as trustees.

Other related party transactions involving the trustees are set out in note 24.

12 Trustees' and Officers' Insurance

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

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

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

13 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2019	-	1,247,000	71,673	38,094	-	1,356,767
Additions	-	-	-	3,850	-	3,850
Disposals	-	-	-	-	-	-
At 31 August 2020	-	1,247,000	71,673	41,944	-	1,360,617
Depreciation						
At 1 September 2019	-	163,100	31,823	23,380	-	218,303
Charged in year	-	23,300	6,687	3,684	-	33,671
Disposals	-	-	-	-	-	-
At 31 August 2020	-	186,400	38,510	27,064	-	251,974
Net book values						
At 31 August 2019	-	1,083,900	39,850	14,714	-	1,138,464
At 31 August 2020	-	1,060,600	33,163	14,880	-	1,108,643

Valuation

The leasehold property was valued by Mouchel on behalf of the Education Funding Agency. The valuers hold the appropriate MRICS qualifications and performed a desktop valuation of the property, using The Depreciated Replacement Cost method as at 31st March 2013. The valuation of £1,247,000 included £82,000 for the Land Element. The governors believe this valuation is a fair representation of the value of the property, given that it is a listed property, at both the date of conversion and at the year end.

Leases

The school buildings are situated on land owned by the Carlisle Diocesan Board of Finance Limited (CDBF). A Church Supplemental Agreement has been signed giving the academy the right to occupy this land. The Church Supplemental Agreement gives the CDBF the right to terminate the agreement with two years notice. The governors have capitalised the leasehold land and buildings as they are not aware of any intention by the CDBF to serve notice in the future.

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

14 Debtors

	2020	2019
	£	£
Trade debtors	214	1,188
VAT recoverable	3,213	5,873
Prepayments and accrued income	8,001	8,957
	11,428	16,018

15 Creditors: Amounts Falling due within one year

	2020	2019
	£	£
Trade creditors	10,310	8,540
Other creditors	21	27
Accruals and deferred income	24,118	18,150
	34,449	26,717

Deferred income	2020	2019
	£	£
Deferred income at 1 September 2019	11,763	11,187
Released from previous years	(11,763)	(11,187)
Resources deferred in the year	16,744	11,763
Deferred Income at 31 August 2020	16,744	11,763

At the Statement of Financial Position date the academy trust was holding funds received in advance for Universal Infant Free School Meals funding and Pupil Premium funding. In the prior year the funds held included Universal Infant Free School Meals funding and Pupil Premium Funding.

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

16 Funds

Funds analysis for year ended 31 August 2020

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	385,593	(402,132)	16,539	-
Pupil Premium	-	5,920	(5,920)	-	-
Other grants	5,618	65,986	(61,280)	-	10,324
Other funds	-	5,542	(8,673)	3,131	-
Pension reserve	(217,000)	-	(37,000)	40,000	(214,000)
	(211,382)	463,041	(515,005)	59,670	(203,676)
Restricted fixed asset funds					
Fixed Assets used for charitable purposes	1,120,041	-	(30,907)	-	1,089,134
DfE/ESFA capital grants	25,192	5,098	-	-	30,290
CIF funding - project 1	-	-	-	-	-
CIF funding - project 2	-	-	-	-	-
Private sector capital sponsorship	18,423	-	(2,763)	-	15,660
	1,163,656	5,098	(33,670)	-	1,135,084
Total restricted funds	952,274	468,139	(548,675)	59,670	931,408
Total unrestricted funds	124,432	14,953	(12,361)	(19,670)	107,354
Total funds	1,076,706	483,092	(561,036)	40,000	1,038,762

Comparative funds analysis for year ended 31 August 2019

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	567	367,878	(381,542)	13,097	-
Pupil Premium	-	5,920	(5,920)	-	-
Other grants	4,547	60,550	(59,479)	-	5,618
Other funds	-	15,045	(17,367)	2,322	-
Pension reserve	(109,000)	-	(9,000)	(99,000)	(217,000)
	(103,886)	449,393	(473,308)	(83,581)	(211,382)
Restricted fixed asset funds					
Fixed Assets used for charitable purposes	1,151,282	-	(32,872)	1,631	1,120,041
DfE/ESFA capital grants	16,009	11,085	-	(1,902)	25,192
CIF funding - project 1	-	-	-	-	-
CIF funding - project 2	-	-	-	-	-
Private sector capital sponsorship	21,675	-	(3,252)	-	18,423
	1,188,966	11,085	(36,124)	(271)	1,163,656
Total restricted funds	1,085,080	460,478	(509,432)	(83,852)	952,274
Total unrestricted funds	126,078	30,894	(17,392)	(15,148)	124,432
Total funds	1,211,158	491,372	(526,824)	(99,000)	1,076,706

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

16 Funds (continued)

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

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

Fixed assets used for charitable purposes

This represents the value and movements on Tangible Fixed Assets as shown in Note 13.

DfE/ESFA formula capital grants

This shows as income the grants received from the ESFA, during the year and due to flooding no capital items were bought using this funding.

CIF funding

This shows as income the grants received from the ESFA and the expenditure on items classed as revenue expenditure in the statutory accounts.

Other capital sponsorship

This shows income received from Sport England. It was used to buy new outdoor playground towards the end of the financial year.

General Annual Grant (GAG) fund

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

Pupil premium fund

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

Other DfE/ESFA grants

This represents PE & Sports grants, Universal Infant Free School Meals grant and Rates Relief grants and the expenditure on sporting activities, catering and rates.

Defined benefit pension scheme fund

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

Other Government Grants

This represents Special Educational Needs funding and Early Years Foundation Stage funding.

Restricted School Funding including trips

This is made up of trip income from parents and the expenditure on trips, and donations from the PTA and the expenditure for which the funds were raised for.

Transfers between funds

The following transfers have taken place during the year;

Transfer from Unrestricted Funds to Restricted GAG funds of £19,670 in order to prevent there being a GAG deficit balance carried forward.

The transfer between GAG and other restricted funds relates to the excess of educational visits expenditure costs over educational visits income from parents.

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	1,108,643	1,108,643
Current assets	107,354	44,773	26,441	178,568
Current liabilities	-	(34,449)	-	(34,449)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(214,000)	-	(214,000)
Total net assets	107,354	(203,676)	1,135,084	1,038,762

Comparative Fund balances at 31 August 2019:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	1,138,464	1,138,464
Current assets	124,432	32,335	25,192	181,959
Current liabilities	-	(26,717)	-	(26,717)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(217,000)	-	(217,000)
Total net assets	124,432	(211,382)	1,163,656	1,076,706

18 Commitments under operating leases

Operating Leases

At 31 August 2020 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts due within one year	672	896
Amounts due between one and five years	-	672
Amounts due after five years	-	-
	672	1,568

Notes to the Financial Statements for the period ended 31 August 2020 (continued)**19 Reconciliation of Net Income/(expenditure) to Net Cash**

Flow from Operating Activities	2020	2019
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(77,944)	(35,452)
Adjusted for:		
Exceptional Items	-	-
Depreciation charges (note 13)	33,671	36,122
Gains on disposal of fixed assets	-	-
Capital grants from DfE and other capital income	(5,098)	(11,085)
Interest receivable (note 6)	(562)	(538)
Defined benefit pension scheme cost less contributions payable	32,000	5,000
Defined benefit pension scheme finance cost	5,000	4,000
(Increase)/decrease in debtors	4,590	(10,063)
Increase/(decrease) in creditors	7,732	4,766
Net cash provided by / (used in) Operating Activities	(611)	(7,250)

20 Cash Flows from Investing Activities

	2019	2018
	£	£
Dividends, interest and rents from investments	562	538
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(3,850)	(1,631)
Capital grants from DfE/ESFA	5,098	11,085
Capital funding received from sponsors and others	-	-
Net cash provided by / (used in) Investing activities	1,810	9,992

21 Analysis cash and cash equivalents

	At 31 August	At 31 August
	2020	2019
	£	£
Cash in hand and at bank	167,140	165,941
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	167,140	165,941

22 Members' Liability

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

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

23 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit pension schemes.

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

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

The total pension costs to the Charitable Company during the year ended 31 August 2020 and included in staff costs were £102,593 (2019: £57,303) comprising TPS £48,455 (2019: £34,242), LGPS £15,099 (2019: £11,060) including LGPS deficit recovery payments of £6,500 (2019: £6,400), additional service cost of £15,000 (2019: £5,000), past service cost of £17,000 (2019: £nil) and a valuation fee of £600 (2019: £600). In addition, the Charitable Company incurred net interest costs of £4,000 (2019: £4,000) and administration costs of £1,000 (2019: £nil).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. 136 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 period amounted to £48,455 (2019: £34,242)

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

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

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

23 Pension and Similar Obligations (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 £27,000 (2019: £21,000), of which employer's contributions totalled £22,000 (2019: £17,000) and employees' contributions totalled £5,000 (2019: £4,000). Deficit recovery payments were £6,500 (2019: £6,400), additional service costs £15,000 (2019: £5,000) and past service costs of £17,000 (2019: £nil). The agreed contribution rates for future years are 14.8 per cent for employers and a contribution rate ranging between 5.5 and 12.5 per cent for employees dependent on level of pay.

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.

The LGPS is in deficit and the academy trust has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels. It is anticipated that the additional contributions will need to be paid for the next 13 years.

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.90%	3.60%
Rate of increase for pensions in payment/inflation	2.50%	2.20%
Discount rate for scheme liabilities	1.80%	1.80%
Inflation assumption (CPI)	2.40%	2.10%

Sensitivity Analysis

	Deficit	At 31 August 2020 Change	Deficit	At 31 August 2019 Change
Discount rate + 0.1%	203,000	(11,000)	204,000	(13,000)
Mortality assumption - 1 year increase	232,000	18,000	229,000	12,000
CPI rate + 0.1%	226,000	12,000	230,000	13,000
Pay growth + 0.1%	215,000	1,000	218,000	1,000

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

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

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equity instruments	136,000	215,000
Government Bonds	76,000	81,000
Other bonds	1,000	27,000
Cash/Liquidity	38,000	21,000
Other	121,000	78,000
Property	22,000	26,000
Total market value of assets	394,000	448,000

The actual return on scheme assets was -£1,000 (2019: £33,000).

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

23 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current service cost (net of employee contributions)	(37,000)	(22,000)
Past service cost	(17,000)	-
Net interest cost	(4,000)	(4,000)
Administration expenses	(1,000)	-
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	<u>(59,000)</u>	<u>(26,000)</u>

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

	2020 £	2019 £
At 1 September	665,000	512,000
Current service cost	37,000	22,000
Interest cost	12,000	15,000
Employee contributions	5,000	4,000
Actuarial (gain)/loss	(123,000)	120,000
Benefits paid	(5,000)	(8,000)
Past service cost	17,000	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>608,000</u>	<u>665,000</u>

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

	2020 £	2019 £
At 1 September	448,000	403,000
Interest income	8,000	11,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	(83,000)	21,000
Admin expenses	(1,000)	-
Employer contributions	22,000	17,000
Employee contributions	5,000	4,000
Benefits paid	(5,000)	(8,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>394,000</u>	<u>448,000</u>

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

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

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

Past service cost includes: McCloud Impact 16,000

Notes to the Financial Statements for the period ended 31 August 2020 (continued)

24 Related Party Transactions

Owing to the nature of the academy trust 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 at arm's length and in accordance with the the 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 trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transaction took place in the period of account:

Expenditure Related Transactions

1. Robert Gordon (Governor) was also a trustee of Crosby PTA, during the year the academy received donations totalling £526 (2019: £1,226) from the PTA.

Income Related Transactions

- 1 Robert Gordon (Governor) was also a trustee of Crosby Parochial Church Council, during the year the academy paid £1 (2019: £1) in respect of rent of the play-ground space to the PCC.

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