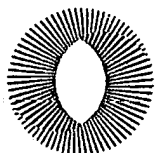


**Community Schools Alliance
Trust**

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019



Community
Schools
Alliance
Trust



Period of account: 1 September 2018 – 31 August 2019

Company Registration Number:
08319810 (England and Wales)

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Community Schools Alliance Trust
Reference and Administrative Details

Members

Mrs Lynn Douglas
Dr Bridget Durning
Prof. Richard Huggins
Mr Bob Price
Mr Tim Wainwright

Trustees

Ms Liz Bell (Chairperson)
Dr Bridget Durning
Dr Ann Childs
Ms Liz Nuttal (resigned February 2019)
Mr Ian Busby (Chair of Pay & Audit Committee)
Mr Ehsan Kiani (resigned December 2019)
Mrs Jolie Kirby (Ex officio trustee)
Ms Pat O'Shea

Pay and audit committee

Mr Ian Busby (Chairperson)
Mrs Jolie Kirby (Ex officio trustee)
Mr Ehsan Kiani (resigned December 2019)
Ms Liz Nuttal (resigned February 2019)
Dr Ann Childs
Ms Pat O'Shea

Company Secretary

Gemma Flegg

Community Schools Alliance Trust

Reference and Administrative Details (continued)

Senior Trust Management Team:

- Jolie Kirby
- Ben Hegedus
- Chris Honey
- Shane Carter (resigned June 2019)
- Laura Waller (appointed July 2019)
- Antony Barwell
- Victoria Hathaway

Chief Executive Officer
Head of HR and Compliance
Head of Estates
Head of Finance
Head of Finance
Head of IT
Head of Communications

Company Name

Community Schools Alliance Trust

Principal and Registered Office

Cheney Lane
Headington
Oxford
OX3 7QH

Company Registration Number

08319810 (England and Wales)

Independent Auditor

Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers

Lloyds Bank Plc
87 London Road
Headington
Oxford
OX3 9AB

Solicitors

Knights
Seacourt Tower
West Way
Oxford
Oxfordshire
OX2 0FB

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates as two schools (Cheney School and Bayards Hill Primary School) for pupils aged 5 to 18 serving a catchment area in East Oxford. It has a pupil capacity of 1,920 and had a roll of 1,827 in the school census on 31 January 2018. In addition, the Academy had 25 nursery children on roll. The Trust will be opening in September 2020, a new Free School which will be a primary school located on the Barton Park development in Oxford.

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 Trustees of Communities Schools Alliance Trust are also the directors of the charitable company for the purposes of company law. The charitable company is also known as CSAT.

Details of the Trustees who served during the year 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.

Trustees' Indemnities

There were no provisions required for third party indemnity. The Academy Trust purchased insurance through the Department for Education's risk protection arrangement (RPA) to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is unlimited for Public and Employers Liability and unlimited for Professional Indemnity.

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- Up to 9 Trustees who are appointed by the Members;
- Maximum of 2 Parent Trustees (unless there are Local Governing Bodies which include at least two Parent Members) who are elected by the parents of registered pupils at the Academy Trust;
- The total number of Trustees, including the CEO, who are employees of the Academy Trust should not exceed one third of the total number of Trustees;
- The CEO, who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4-year period, although this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trusts' development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience and is tailored specifically to the individual, although it would always include a tour of the schools within the Academy Trust and a chance to meet staff and pupils. All Trustees are regularly provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees.

Organisational Structure

The structure of the Academy Trust consists of a Board of Trustees comprising the directors who act as the Trustees of Community Schools Alliance Trust (see p.1) and two local Governing Bodies (one for each school).

The Board of Trustees normally meets five times a year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and the local Governing Bodies to which it devolves a number of responsibilities through Schemes of Delegation. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There is one committee of the Board of Trustees:

- The Pay and Audit Committee

The Local Governing Bodies each have one committee, the Local Finance and Resource Committee, which is responsible for approving and monitoring the budget of each school.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair;
- to appoint and / or consider the performance management of the CEO and Head Teacher; and
- to appoint the Company Secretary.

The Trustees are responsible for setting general policies, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Trustees have devolved the day-to-day management of the Schools within the Academy Trust to the CEO and the Senior Management Team that is formed of senior staff within the two schools. The senior management team implement the policies laid down by the Trustees and report back to them on performance.

The CEO is the Accounting Officer for the Trust. There is a Trust Central Service Team, which comprises the Head of Finance, Senior Operations Manager, Head of IT, Head of Communications, and Head of HR and Compliance. The purpose of the core team is to provide high quality expertise on all matters pertaining to the roles of financial regulation and oversight, quality assurance on health and safety, compliance and human resources policy, practice and compliance, information technology, and communications. This central service team is line managed by the CEO who reports to both the Trust and the relevant Governing Body Committees.

The accountability for the line management of the CEO lies with the Trustees. Each school has a Head Teacher. The CEO is responsible for the line management of the Head Teacher of Cheney School and Bayards Hill School.

Within the scheme of delegation, the day-to-day management decisions are delegated to the local Governing Bodies. The CEO provides regular updates on the performance of schools within the Academy Trust to the Trustees and the Local Governing Bodies.

Arrangements for setting pay and remuneration of key management personnel

Trustees are responsible for setting the pay and remuneration of the CEO. Trustees undertake two reviews during the year to monitor performance against agreed objectives with the final review determining the pay and remuneration of the CEO.

The Local Governing Body determines the pay and remuneration of Head Teachers within the Trust using an external adviser to support and provide additional challenge. Performance management of the CEO and Head Teachers is in line with usual process of setting quantifiable performance targets in line with the 5-year CSAT strategic plan, and school improvement plan targets. Performance management of all senior posts across the Trust is conducted using a six-month review point, with all pay decisions measured against performance management targets. The CEO is responsible for setting and monitoring performance targets for the Senior Core team.

The Trust has a Pay and Audit committee, which scrutinises all staff performance and reports directly to the Board of Trustees.

Trade union facility time

During the reporting year, and in line with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust's trade union activities were:

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£7,901
Provide the total pay bill	£7,901
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	9%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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Related Parties and other Connected Charities and Organisations

CSAT Schools are part of a number of partnerships with other educational institutions. These include being a partner of Oxfordshire Teaching School Alliance, a member of Oxford City Learning, Headington Partnership and the Jubilee Network. The CEO is a Trustee of the Radcliffe Academy Trust, which provides alternative provision for students across the county of Oxfordshire.

For further details of related parties and transactions during the year, see Notes 11 and 30.

Objectives and Activities

The Vision: Schools in the heart of the community working in partnership together

Key elements of our vision:

We will:

- be driven by a moral purpose to transform the opportunities and life chances of children and young people.
- work in partnership with learners, their families, communities, and FE/HE and businesses to raise further aspirations, foster great expectations and achieve ambitious goals.
- further develop and sustain a robust model of school improvement to deliver world class education across all our schools.
- ensure our academies are inclusive and aspirational.

Objects and Aims

CSAT will achieve its vision through focusing on five strategic objectives that are reviewed and measured annually:

- Objective One: Raise attainment and improve progression
- Objective Two: Supporting excellent standards of teaching and learning
- Objective Three: Build on excellent practice in regard to safeguarding, health and well-being for pupils and staff
- Objective Four: Ensure strong leadership and governance
- Objective Five: Build a strong infrastructure in the MAT to support the drive for every CSAT academy to be an exceptional school

Both Schools within the Academy Trust have their own distinct school improvement plans.

Objectives, Strategies and Activities

The Key priorities for the period are contained in each School's Improvement Plan 2018-19.

The main objectives of Cheney School for the period ended 31 August 2019 were as follows:

- At least 70% of 5+ A*-C GCSE (or equivalent) grades including English and Mathematics
- In English and Mathematics, the school secures at least 10% higher than the national average in terms of levels of progress in Key Stage 2 to Key Stage 4 performance
- All post 16 students achieve or exceed their target grades
- Student attendance from year 7-11 is at least 96%
- 45% of students secure the English Baccalaureate suite of qualifications
- To be in the top 25% of schools in the progress 8 measure
- The rate of progress for Pupil Premium and SEND students is significantly accelerated so the gap closes by at least 15% in English

The main objectives of Bayards Hill School for the period ended 31 August 2019 were as follows:

- Priority 1 - Accelerate pupil's progress so that all pupils make good progress.
- Priority 2 - Improve the quality of teaching so that across the school it is judged no less than good.
- Priority 3 - Develop middle leaders to ensure they can effectively manage their areas.
- Priority 4 - Improve behaviour for learning so that it influences positively on progress.
- Priority 5 - Improve SEN provision.
- Priority 6 - To develop effective parent partnership.

The strategies for achieving these aims were through a rigorous programme of School Improvement, which has been set out in the School Improvement Plans for both Schools in 2018-19. These identified key actions under the core sections for School Improvement of quality teaching and learning and assessment, pupil behaviour and well-being, school curriculum, leadership and management and pupil outcomes. All departments and key stages have their own detailed improvement plans spanning all these areas, including the role of Premises, Human Resources, Information Technology, and Finance in School Improvement. Extensive external validation of School Improvement processes was conducted across the Trust Schools to provide further rigour and robustness to School Improvement strategies.

In addition to the School Improvement plans, the Trust has an educational standards plan, which provides a clear set of strategies and actions to drive up educational standards through collaboration and challenge. The senior staff across the Trust meet regularly to hold one another to account for the impact of strategies as well as well as having regular external validation and reviews of school/Trust progress and practice. Examples of impactful collaboration are the joint professional development program, NQT training, and teaching and learning immediate impact making strategies.

Large numbers of staff have benefitted from support with well-being through our health and well-being Trust strategy, and we have been able to recruit and retain high calibre staff.

Cheney School has also taken a lead role in supporting Oxfordshire inclusion through working with the Head's association and Meadowbrook College to have improved IYFAP processes.

Public Benefit

The Trustees of Community Schools Alliance Trust confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Academy Trust continues to advance public benefit through education in Headington and surrounding areas, offering a broad and rich curriculum.

The Academy Trust also allows use of its facilities for recreational purposes to the community at large in the interests of social welfare, and with the interest of improving the life of that community.

School facilities were made available to the local community in 2018-19 to support a range of educational and recreational activities. These included adult education classes, a very wide range of sporting activities and the use of facilities for general community lettings.

The admissions arrangement of the Academy Trust School's follow OCC guidelines and OCC oversee admission arrangements.

Strategic Report

Achievements and Performance

During the reporting year, progress was made to ensure the Trust remains financially viable through improved financial planning and reporting, and by setting a clear reserves target for schools within the Trust.

Established procurement practices continue to ensure value for money, and investment in premises and business management systems resulted in improvements to the site and efficiencies in energy consumption. More extended use of the site and health and safety are two areas where excellent practice is embedded, with external reviews of health and safety showing excellent progress in this area. On-going investment in ICT infrastructure and hardware at both schools continues to support the learning environment.

Pupil progress rose at both schools as did attainment.

Progress regarding student progress into employment, training or University was excellent.

Pupil attainment in GCSE's is above expected national trends, and this pattern of very good attainment and progress is set to continue to be the case across the schools. Results at post 16 saw a rise in the top grades, and overall pass rates helping to secure a very healthy level of students progressing to Russell group universities.

Both schools are fully staffed, and the Trust has been proactive in securing and retaining high quality staff. Bayards Hill had a new Head Teacher appointed in June 2019 who is a highly experienced and successful head who is making an excellent impact in the school and a significant contribution to the MAT.

Cheney School and Bayards Hill are fully staffed with an appropriate level of skill and experience.

Bayards Hill School's achievements can be summarised below:

Subject	2019	2018
Reading	-1.7	-7.0
Writing	1.6	-2.7
Maths	-1.6	-4.0

Attainment was 37% (2018: 30%), compared to a National average of 65%.

Cheney School's achievements can be summarised below:

GCSE qualifications that our students took with comparisons to the average for schools in England:

- Progress 8: 0.14
- Grade 5 or above in both English and Maths: 43% (England average: 39.9%)
- Attainment 8 score: 45.07 (England average: 44.3)
- Entered for EBacc: 61.9% (England average: 35.1%)
- EBacc average points score: 4.08 (England average 3.83)

A-Levels

- A* - A Grades achieved - 24%
- A* - B Grades achieved - 45%
- A* - E Grades achieved - 95%

Key Performance Indicators

- Teaching quality across the Trust is good which is securing a conducive environment across the schools to accelerate pupil outcomes and progress.
- Both schools secured a significant rise in pupil progress and attainment in 2019.
- Attendance continues to be a focus of progress and the schools have firm and already impactful strategies in place to further raise attendance.
- Measures are in place to make sure there is tight control of staffing costs in relation to total costs.
- All students in year 11, 12 and 13 progress onto suitable employment, training, or education provision, and year 6 pupils are increasingly working at a secondary ready standard. The OFSTED report for Cheney School in 2018 was positive and secured the retention of the previous 'Good' category.
- Behaviour of pupils is good with external verification validating our view that well thought out policy is being carefully implemented to bring about rising standards of behaviour demonstrated by a decline in exclusions, rise in attendance and significantly less disruption in lessons. External verification conducted at both schools by educational consultants engaged across the Trust, which was in line with our SEF judgements.

Going Concern

Over 94% of the Trusts funding is provided by the Department for Education through the Education and Services Funding Agency.

The Trustees have confidence in the Trust 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 the Academy Trust has adequate resources to be able to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trusts' ability to continue as a going concern, thus they continued to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Financial Review

The Trustees examine the financial health of the Academy Trust termly through regular updates and financial reports. These reports highlight the key risks to the budget for each school in the Trust and provide a detailed analysis on the impact to the Trust's reserves. Updates and financial reports are provided at all Board of Trustees and Pay and Audit Committee meetings.

Most of the Trust's income is obtained from the DfE in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during 2018-2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Over the year revenue funding received was £9,706,962 (2018: £9,459,810). Capital funding received was £339,544, which included £209,804 relating to Condition Improvement Funding (2018: £629,412). Income from non-government sources was £802,705 and total revenue expenditure was £12,946,510.

At the balance sheet date, the Trust had no significant liabilities arising from trade creditors or debtors where there would be significant effect on the trust's liquidity.

The Trust held balances at 31 August 2019 of £24,455,991 (2018: £28,222,216).

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the near future, therefore, the risk from this liability is minimised.

The key financial policies reviewed and adopted during the period included the Financial Procedures Manual Policy, which provides the framework for the Trust's financial management, including financial responsibilities of the Governing Body, CEO, Senior Managers, and Budget Holders. The other financial policies reviewed and adopted during the period included Charges and Remission, and the Trust's Scheme of Delegation.

Reserves Policy

The Trustees and Local Governing Bodies consider the level of reserves the school should hold. Levels of reserves, which are too high, tie up money which should be spent on current school activities. Levels of reserves, which are too low, may put the future activities of the school at risk.

The reserves policy both informs and is informed by:

- strategic and operational planning including considering how new projects or activities will be funded
- the budget process considering whether reserves need to be used during the financial year or built up for future projects
- the risk management process by identifying any uncertainty in future income streams

When considering an appropriate level of reserves, the Trustees consider:

- the risk of unforeseen emergency or other unexpected need for funds
- covering unforeseen day-to-day operational costs, for example employing temporary staff to cover any long-term sickness absence
- a fall in a source of income
- planned commitments that cannot be met through revenue income alone, for example contributions towards major capital projects
- risks on the risk register which have a financial implication

The financial risks identified determine the amount of reserves the academy targets to hold.

During the financial year, the Trustees identify:

- when reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken where the reserves level is below target and consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves

To support Trustees in this process, target reserves levels should be between 9%-12% (£788,763 - £1,051,684) of the schools General Annual Grant (GAG) income.

The restricted capital funds relate to CIF funds held for specific projects. Therefore, the available funds are £262,359.

In-year reports to the Trustees and the Pay and Audit Committee:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

This reserves policy is monitored regularly for any changes in legislation or directions from the DFE, which may have an effect and evaluated in the light of any comments made by the DFE, ESFA, auditors and any other interested parties.

On 31 August 2019 the Academy Trust held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	262,359
Restricted Capital Funds	366,570
Restricted General Funds	-
Reserves at 31 August 2019	628,929

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. CSAT are currently only investing in bank accounts.

All the Trust's funds to date have been held in Lloyds Bank accounts, which attract a return of 0.05% above Base Rate. The Trust's investment policy has been reviewed and consideration given to the use of short-term deposits.

For the period ended 31 August 2019, the Trust's cash balances generated an income of £902 (2018: £994).

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial

The Academy Trust has considerable reliance on continued government funding through the ESFA. In the period, approximately 94% of the Trust's incoming resources was ultimately government funded, and whilst this level is expected to continue, there is no assurance that government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

Trustees review three-year forecasts to understand the implications on the Trust's reserves so that, if required, appropriate strategies can be explored.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trusts finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

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

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy Trust has engaged the services of an internal auditor to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. The Trusts' Risk Register is maintained, reviewed, and updated on a regular basis.

Fundraising

The Academy Trust generates small amounts of income through fundraising activities. The PTA at Bayards Primary School is active in raising funds for educational purposes and ensures all appropriate precautions are taken when organising a fund raising event.

Plans for Future Periods

The Board has a 5-year strategic plan that identifies the rate of growth and growth opportunities. These can be summarised as follows:

- Following the OFSTED visit at Bayards Hill, the school focus is on securing even better teacher and learning outcomes, which in turn impacts on improving pupil outcomes.
- The school will continue to develop the wider curriculum so that pupils are even more engaged in their learning.
- Staff development is a key priority across both schools with professional development involving joint training opportunities across the Trust's schools.
- Cheney School will continue to focus on quality of teaching and learning so that student outcomes continue on the upward trajectory. A key area for further development is in post 16 provision to further accelerate good progress and high levels of student attainment, to ensure the school is outstanding in the next inspection.
- New Barton Park primary school to be opened by the Trust in 2020.
- Leadership and management continues to be a strength and is outstanding through all Trust schools. This is supported by all schools securing Governor Mark status.
- Along with the growth of academies within geographical clusters, the Trust will develop further the infrastructure to provide both support and challenge.
- 2016-2020 Opening of new build school within the MAT and growth of local schools joining CSAT as partners who share the same visions and ambitions.

Funds Held as Custodian Trustee on Behalf of Others

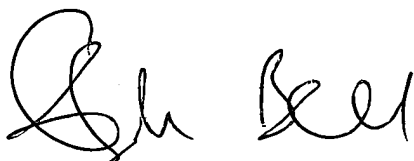
The Trust holds no Assets and Funds as Custodian Trustee on behalf of others.

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.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 9 December 2019 and signed on the Board's behalf by:



Liz Bell
Chair of Trustees

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Community Schools Alliance Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Dr Bridget Durning	5	6
Ms Liz Bell (Chairperson)	5	6
Mrs Jolie Kirby (Ex officio trustee)	5	6
Ms Liz Nuttal (resigned February 2019)	2	4
Ms Pat O'Shea	5	6
Mr Ian Busby	5	6
Mr Ehsan Kiani (resigned December 2019)	1	3
Dr Ann Childs	5	6

Governance Reviews

Both Governing bodies appoint governors based on their skill-based approach so that governors can bring the right level of support and challenge alongside the robust governance required in CSAT Schools.

The Trustees are appointed based on skills that they provide to conduct trustee roles and responsibilities in an effective manner. A skills audit approach is used in line with the National Governors Association guidelines and in line with the National College for Teaching and Leadership.

During the year Trustees reviewed the skill levels of governors at both schools and steps were taken to secure high-quality governors using a skill-based appointment process. The quality of governance and its impact on Trustees was highlighted in the most recent OFSTED report at Bayards Hill School.

In June 2019 the Trust appointed an external organisation to review the Trust and governance and the Trust is implementing recommendations from the review in 2019.

Committees

The Pay and Audit Committee is a sub-committee of the main Board of Trustees'. Its purpose is to:

- Act as the Trust's audit committee

Key issues for the Pay and Audit Committee were:

- External and Internal auditors had minor recommendations to improve practice

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr Bridget Durning	3	3
Mrs Jolie Kirby (Ex officio trustee)	3	3
Mr Ehsan Kiani (resigned December 2019)	1	3
Ms Liz Nuttal (resigned February 2019)	-	3
Mr Ian Busby (Chairperson)	3	3

Review of Value for Money

As Accounting Officer, the CEO 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:

- Using approved purchasing and tendering frameworks to obtain value for money for purchases across the Trust. This has included contracts awarded to School Playground Construction Limited, who developed the Early Year Garden Project, and Arbor Education, who are implementing the Trust's new management information system.
- Continuing to employ appropriately qualified staff at senior management level to minimise the cost of external consultancy. Bayards Primary School has been able to reduce the cost of external IT consultancy by using the Trusts IT team, which provides day-to-day IT support.
- The development of a curriculum model at Cheney School that allows the senior management team to plan teaching and learning resources effectively, and understand the cost implications.
- Cheney School received positive press coverage due to cost saving initiatives across premises that returned significant financial savings on utility costs. Initiatives included negotiating lower energy prices, reducing consumption through effective Business Management Systems, and investing in technologies with quick payback periods.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Communities Schools Alliance Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process.

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 overseen by the Trusts Head of Finance. This includes monthly management reports and meetings with senior management to monitor the financial position, and termly monitoring by the Local Governing Bodies of the Trust schools;
- regular reviews of finance reports by the Pay and Audit committee which indicate financial performance against budget and identify key risks, and the impact on the Trusts reserves;
- 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.

The Trust appointed Madhu Richards, an independent Chartered Accountant with experience within an educational environment and the local authority. The first visit was conducted in June 2017 and covered a review of key financial controls across procurement, cash and banking, payroll and personnel, income, financial reporting, risk, and the Trusts website. The internal auditor reported to Trustee's twice during the year.

The reports are presented to the Pay and Audit committee and include several medium risk recommendations that have either already been implemented or are being implemented by the current Head of Finance for the Academy Trust.

Review of Effectiveness

As Accounting Officer, the CEO 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Pay and Audit committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2019 and signed on its behalf by:



Liz Bell
Chair of Trustees



Mrs Jolie Kirby
Accounting Officer

As Accounting Officer of Communities Schools Alliance Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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 Jolie Kirby
Accounting Officer

9 December 2019

The Trustees (who act as governors of Community Schools Alliance Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 9 December 2019 and signed on its behalf by:



Liz Bell
Chair of Trustees

Opinion on financial statements

We have audited the financial statements of Community Schools Alliance Trust ('the charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2018 to 2019 issued by the ESFA.

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 2019 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; and
- have been properly prepared in accordance with the Academies Accounts Direction 2018 to 2019.

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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 16), 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.

Auditor's responsibilities for the audit of the financial statements

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

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions, we have formed.



Robert Kirtland (senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford
Date: 18/12/2019

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Community Schools Alliance Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of Community Schools Alliance Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Community Schools Alliance Trust's funding agreement with the Secretary of State for Education dated 1 October 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure, and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

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 1 September 2018 to 31 August 2019 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 Community Schools Alliance Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Community Schools Alliance Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Community Schools Alliance Trust and the ESFA, for our review work, for this report, or for the conclusion we have formed.

Critchleys Audit LLP
Reporting Accountant
Oxford
Date: 18/12/2019



Community Schools Alliance Trust
Statement of Financial Activities
For the year ended 31 August 2019

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 31 August 2019 £	Total 31 August 2018 £
Income and endowments from:						
Donations and capital grants	2	5,080	4,004	339,544	348,628	683,868
Charitable activities:						
Funding for the academy trust's educational operations	3	-	9,706,962	-	9,706,962	9,459,810
Other income for educational operations	4	565,049	-	-	565,049	513,402
Other trading activities	5	236,754	-	-	236,754	119,529
Investments	6	902	-	-	902	994
Total		807,785	9,710,966	339,544	10,858,295	10,777,603
Expenditure on:						
Raising funds	7	31,958	-	-	31,958	35,673
Charitable activities:						
Academy trust educational operations	8	512,542	11,168,808	1,233,212	12,914,562	11,953,575
Total		544,500	11,168,808	1,233,212	12,946,520	11,989,248
Net income / (expenditure)		263,285	(1,457,842)	(893,668)	(2,088,225)	(1,211,645)
Transfers between funds	17	(833,490)	862,842	(29,352)	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,29	-	(1,678,000)	-	(1,678,000)	1,046,000
Net movement in funds		(570,205)	(2,273,000)	(923,020)	(3,766,225)	(165,645)
Reconciliation of funds						
Total funds brought forward		832,564	(3,616,000)	31,005,652	28,222,216	28,387,861
Total funds carried forward		262,359	(5,889,000)	30,082,632	24,455,991	28,222,216

All of the Academy's activities derive from continuing operations

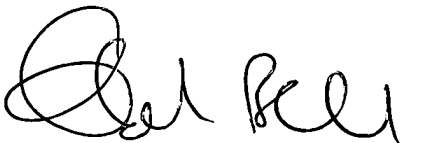
A Statement of Total Recognised Gains and losses is not required as all gains and losses are included in the Statement of Financial Activities.

Community Schools Alliance Trust
Balance Sheet
As at 31 August 2019

	Notes	2019 £	2019 £	2018 £
Fixed assets				
Intangible assets	13		9,726	19,473
Tangible assets	14		29,706,336	30,403,400
Current assets				
Stock		-		-
Debtors	15	483,010		427,442
Cash at bank and in hand		958,272		1,649,717
		<u>1,441,282</u>		<u>2,077,159</u>
Liabilities				
Creditors: Amounts falling due within one year	16	(812,353)		(661,816)
Net current assets			628,929	1,415,343
Total assets less current liabilities			30,344,991	31,838,216
Creditors: Amounts falling due after more than one year			-	-
Net assets excluding pension liability			<u>30,344,991</u>	<u>31,838,216</u>
Defined benefit pension scheme liability	29		(5,889,000)	(3,616,000)
Total net assets			<u>24,455,991</u>	<u>28,222,216</u>
Funds of the academy trust:				
Restricted funds				
· Fixed asset fund	17		30,082,632	31,005,652
· Restricted income fund	17		-	-
· Pension reserve	17		(5,889,000)	(3,616,000)
Total restricted funds			<u>24,193,632</u>	<u>27,389,652</u>
Unrestricted income funds	17		262,359	832,564
Total funds			<u>24,455,991</u>	<u>28,222,216</u>

The financial statements on pages 21 to 46 were approved by the trustees and authorised for issue on 9 December 2019 and are signed on their behalf by

Liz Bell
Chair of Trustees



Community Schools Alliance Trust
Statement of Cash flows
For the year ended 31 August 2019

	Notes	£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	(931,503)	(817,000)
Cash flows from investing activities	25	240,058	419,904
Cash flows from financing activities	24	-	-
Change in cash and cash equivalents in the reporting period		<u>(691,445)</u>	<u>(397,096)</u>
Increase in debt in the period		-	-
Cash and cash equivalents at 1 September 2018		1,649,717	2,046,815
Cash and cash equivalents at 31 August 2019		958,272	1,649,717

All of the Academy's activities derive from continuing operations

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Community Schools Alliance Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

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

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

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

Donations

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

Other Income

Other income, including the hire of facilities, is recognised in the 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'.

1. Statement of Accounting Policies (continued)

Income (continued)

Donated fixed assets (excluding Transfers on conversion into trust)

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 shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software

3 years

Tangible Fixed Assets

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

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 14 for further details).

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

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets (continued)

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

Leasehold buildings	50 years from conversion
Leasehold improvements	10-30 years
Plant and machinery	10 years
Fixtures, fittings and equipment	5 years
ICT equipment	4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Cash

Cash at bank and in hand includes cash held in notice deposits of less than 12 months which can be accessed at short notice if required. The amount held in notice deposits can be seen in note 26.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in the 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.

1. Statement of Accounting Policies (continued)

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 costs as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, 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 balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1. Statement of Accounting Policies (continued)

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the 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 and Skills Funding Agency/Department for Education.

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 estimate 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 29, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 29).

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 31.

2. Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
DfE/ESFA capital grants					
Devolved formula capital grant	-	-	129,740	129,740	38,091
Condition Improvement Funding	-	-	209,804	209,804	629,412
	-	-	339,544	339,544	667,503
Other Government Grants					
Other donations	5,080	4,004	-	9,084	16,365
	5,080	4,004	339,544	348,628	683,868
2018 total	6,945	9,420	667,503	683,868	

The income from donations and capital grants was £348,628 (2018: £683,868) of which £5,080 was unrestricted (2018: £6,945), £4,004 restricted (2018: £9,420) and £339,544 restricted fixed assets (2018: £667,503).

3. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
DfE/EFA grants					
General Annual Grant (GAG)	-	8,764,034	-	8,764,034	8,574,883
Other DfE grants	-	718,609	-	718,609	683,656
	-	9,482,643	-	9,482,643	9,258,539
Other government grants					
Local authority revenue funding	-	140,585	-	140,585	133,490
Early Years Funding	-	83,734	-	83,734	67,781
	-	224,319	-	224,319	201,271
	-	9,706,962	-	9,706,962	9,459,810
2018 total		9,459,810	-	9,459,810	

The funding for the academy's educational operations was £9,706,962 (2018 £9,459,810) of which £Nil was unrestricted (2018: £Nil), £9,706,962 restricted (2018: £9,459,810) and £Nil restricted fixed assets (2018: £Nil).

4. Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
Catering income	265,542	-	-	265,542	264,636
Other income	146,247	-	-	146,247	69,261
Trip and activity income	153,260	-	-	153,260	179,505
Total	565,049	-	-	565,049	513,402
2018 total	513,402	-	-	513,402	

The other income for educational operations was £565,049 (2018: £513,402) of which £565,049 was unrestricted (2018: £513,402), £Nil restricted (2018: £Nil) and £Nil restricted fixed assets (2018: £Nil).

5. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
Hire of facilities	236,754	-	-	236,754	119,529
Total	236,754	-	-	236,754	119,529
2018 total	119,529	-	-	119,529	

The other trading activities income was £236,754 (2018: £119,529) of which £236,754 was unrestricted (2018: £119,529), £Nil restricted (2018: £Nil) and £Nil restricted fixed assets (2018: £Nil).

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
Short term deposits	902	-	-	902	994
	902	-	-	902	994
2018 total	994	-	-	994	

The investment income was £902 (2018: £904) of which £902 was unrestricted (2018: £994), £Nil restricted (2018: £Nil) and £Nil restricted fixed assets (2018: £Nil).

7. Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Allocated support costs	26,454	5,504	-	31,958	35,673
Academy's educational operations					
Direct costs (note 8)	7,620,739	-	564,286	8,185,025	7,439,454
Allocated support costs (note 8)	1,534,180	1,016,988	2,178,370	4,729,537	4,514,121
	<u>9,181,373</u>	<u>1,022,492</u>	<u>2,742,656</u>	<u>12,946,520</u>	<u>11,989,248</u>

The expenditure on raising funds was £31,958 (2018: £35,673) of which £31,958 was unrestricted (2018: £35,673), £Nil restricted (2018: £Nil) and £Nil restricted fixed assets (2018: £Nil).

The expenditure on academy's educational operations was £12,914,562 (2018: £11,953,575) of which £512,542 was unrestricted (2018: £567,446), £11,168,808 restricted (2018: £10,162,204) and £1,233,212 restricted fixed assets (2018: £1,263,478).

Net income/(expenditure) for the period includes:

	2019 £	2018 £
Operating lease rentals	6,953	6,953
Depreciation	797,452	711,682
Net interest on defined benefit pension liability (note 28)	107,000	116,000
(Gain)/loss on disposal of fixed assets		
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	9,747	9,002
Fees payable to auditor:		
- audit of financial statements	9,015	8,250
- other services	-	2,200
Other services:		
- preparation of financial statements	3,000	-
- Academies August Accounts Return	500	-
- Academies March Accounts Return	-	-
- Other Ad-hoc accounting assistance	-	-

8. Charitable activities

	2019 £	2018 £
Direct costs – educational operations	8,185,025	7,439,454
Support costs – educational operations	4,729,537	4,514,121
	12,914,562	11,953,575

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019 £	2018 £
Analysis of support costs					
Support staff costs	185,536	1,315,106	33,538	1,534,180	1,398,316
Other pension costs	-	643,000	-	643,000	542,000
Depreciation and amortisation	-	-	807,199	807,199	720,685
Technology costs	-	99,891	-	99,891	137,265
Premise costs	-	624,512	392,475	1,016,987	1,165,480
Other finance costs (FRS102 pension)	-	(48,000)	-	(48,000)	(75,000)
Other support costs	327,006	333,718	-	660,724	612,545
Governance costs	-	15,556	-	15,556	12,830
	512,542	2,983,783	1,233,212	4,729,537	4,514,121

9. Staff

a. staff costs	2019 £	2018 £
Staff costs during the period were:		
Wages and salaries	7,252,792	6,470,650
Social security costs	661,302	611,132
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	1,155,927	1,067,174
FRS102 Other pension and finance costs	595,000	467,000
Apprenticeship levy	21,744	17,673
	9,686,765	8,633,628
Supply staff costs	89,607	217,454
Staff restructuring costs	-	-
	9,776,372	8,851,082

There are no non-statutory/non-contractual severance payments included in staff restructuring costs for 2019 (2018: £Nil)

9. Staff Costs (continued)

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

	2019 No.	2018 No.
Teachers	120	112
Administration and support	183	156
Management	17	13
	<u>320</u>	<u>281</u>

The average number of persons (including senior leadership team) employed by the academy during the period expressed as full-time equivalents was as follows:

	2019 No.	2018 No.
Teachers	113	106
Administration and support	137	102
Management	15	13
	<u>265</u>	<u>221</u>

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

	2019 No.	2018 No.
£60,001 - £70,000	3	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£100,001 - £110,000	1	1
£110,001 - £120,000		

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1-2. 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 £420,000 (2018: £373,976).

10. Central services

The academy trust has provided central services to its academies during the period to cover the following areas; both strategic and operational support from the CEO, finance; premises, ICT, human resources and compliance.

The Pay and Audit committee agree the basis of these costs. For the year under review, it was agreed the costs would be based on 5% of GAG and Pupil Premium

The actual amounts charged during the period were as follows:

	2019 £	2018 £
Cheney School	376,472	364,932
Bayards Hill	90,388	93,721
	<u>466,860</u>	<u>458,653</u>

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 Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment.

	2019 £	2018 £
J Kirby, Chief Executive Officer and Accounting Officer		
Remuneration	£100k-£110k	£100k-
£110k		
Employer's pension contributions paid	£15k-£20k	£15k-
£20k		

During the period ended 31 August 2019, travel and subsistence expenses totalling £1,294 were reimbursed or paid directly to two trustees (2018: £831 to one trustee).

12. Trustees and officer's insurance

From 1 January 2017, the academy trust opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover. It is not possible to quantify the trustees and offices indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in other support costs in note 8 but has not been separately identified.

13. Intangible fixed assets

	Computer Software £	Total £
Cost		
At 1 September 2018	38,988	38,988
Additions	-	-
At 31 August 2019	<u>38,988</u>	<u>38,988</u>
Amortisation		
At 1 September 2018	19,515	19,515
Charged in year	9,747	9,747
At 31 August 2019	<u>29,262</u>	<u>29,262</u>
Carrying amount		
At 31 August 2018	19,473	19,473
At 31 August 2019	<u>9,726</u>	<u>9,726</u>

14. Tangible fixed assets

	Leasehold land and buildings £	Plant & Machinery £	Fixtures, fittings & equipment £	Computer Equipment £	Total £
Cost					
At 1 September 2018	32,267,782	282,847	367,797	730,762	33,649,188
Additions	34,286	32,683	3,055	30,364	100,388
At 31 August 2019	32,302,068	315,530	370,852	761,126	33,749,576
Depreciation					
At 1 September 2018	2,285,351	96,655	289,366	574,416	3,245,788
Charged in year	644,964	29,166	43,910	79,412	797,452
At 31 August 2019	2,930,315	125,821	333,276	653,828	4,043,240
Net book values					
At 31 August 2018	29,982,431	186,192	78,431	156,346	30,403,400
At 31 August 2019	29,371,753	189,709	37,576	107,299	29,706,336

Leasehold land and buildings

The freehold of these land and buildings is owned by the respective Local Authorities. These are recognised in the accounts as the academy trust has the right to use the property.

The Trust took out a 125-year lease over the Cheney School land and buildings transferred from Oxfordshire County Council (OCC) following the original date of conversion and has since also taken out a similar lease over the Bayards Hill School land and buildings when it joined the Trust in 2014. The land and buildings transferred have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to the desktop valuations of the land and buildings commissioned by the ESFA as at 31 March 2013 (Cheney School) and 31 March 2015 (Bayards Hill School). The desktop valuations undertaken by Mouchel were carried out on a depreciated replacement cost basis. The Trustees also considered a separate valuation of the land and buildings of Bayards Hill Primary School prepared by OCC as at the date of transfer on 1 October 2014, which includes refurbishment work performed during the period that was not considered by Mouchel during their work. OCC have also performed additional refurbishment work on the Bayards Hill Primary School since 1 October 2014, but it is not possible for them to provide the Trust with a valuation of this work and so no value has been attributed to it in these financial statements.

Included in the value of land and buildings is land at a total value of £8,292,035, which is not depreciated.

15. Debtors

	2019	2018
	£	£
Trade debtors	33,585	13,118
VAT recoverable	227,881	128,376
Prepayments & accrued income	221,544	285,948
	<u>483,010</u>	<u>427,442</u>

16. Creditors: amounts falling due within 1 year

	2019	2018
	£	£
Trade creditors	190,884	170,844
Other taxation and social security	306,513	286,963
Other creditors	31,222	25,347
Accruals and deferred income	283,734	178,662
	<u>812,353</u>	<u>661,816</u>

Deferred income

	2019	2018
	£	£
Deferred income at 1 September 2018	10,555	31,620
Released from previous years	(10,555)	(31,620)
Resources deferred	13,260	10,555
Deferred income at 31 August 2019	<u>13,260</u>	<u>10,555</u>

17. Funds

	At 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	8,764,134	(9,601,116)	836,982	-
Pupil Premium	-	630,345	(630,345)	-	-
Other DfE/EFA grants	-	88,164	(114,024)	25,860	-
Local authority revenue funding	-	140,585	(140,585)	-	-
Early Years Funding	-	83,734	(83,734)	-	-
Other restricted funds	-	4,004	(4,004)	-	-
Pension reserve	(3,616,000)	-	(595,000)	(1,678,000)	(5,889,000)
	(3,616,000)	9,710,966	(11,168,808)	(815,158)	(5,889,000)
Restricted fixed asset funds					
Devolved Formula Capital	-	129,740	-	(129,740)	-
Condition Improvement Fund	582,779	209,804	(426,013)	-	366,570
Intangible asset fund (note 13)	19,473	-	(9,747)	-	9,726
Fixed asset fund (note 14)	30,403,400	-	(797,452)	100,388	29,706,336
	31,005,652	339,544	(1,233,212)	(29,352)	30,082,632
Total restricted funds	27,389,652	10,050,510	(12,402,020)	(844,510)	24,193,632
Unrestricted funds					
Unrestricted funds	832,564	807,785	(544,500)	(833,490)	262,359
Total Unrestricted funds	832,564	807,785	(544,500)	(833,490)	262,359
Total funds	28,222,216	10,858,295	(12,946,520)	(1,678,000)	24,455,991

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2019.

17. Funds (continued)

Total funds analysis by academy

	2019 £	2018 £
Cheney School	266,517	747,664
Bayards Hill	(4,158)	84,900
Central Services	-	-
Total before fixed assets and pension reserve	262,359	832,564
Capital reserves	366,570	582,779
Intangible asset fund (note 13)	9,726	19,473
Fixed asset fund (note 14)	29,706,336	30,403,400
Pension reserve	(5,889,000)	(3,616,000)
Total	24,455,991	28,222,216

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	2019 £	2018 £
Cheney School	6,113,339	974,527	502,939	1,839,110	9,429,915	8,550,161
Bayards Hill	1,374,199	309,088	142,473	292,732	2,118,492	2,124,917
Central Services	243,481	-	16,940	(264,507)	(4,086)	126,487
	7,731,019	1,283,615	662,352	1,867,335	11,544,321	10,801,565
				Depreciation and amortisation	807,199	720,685
				Other finance costs and pension costs	595,000	467,000
					12,946,520	11,989,249

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	9,726	9,726
Tangible fixed assets	-	-	29,706,336	29,706,336
Current assets	262,359	812,353	366,570	1,428,022
Current liabilities	-	(812,353)	-	(812,353)
Non current liabilities	-	-	-	-
Pension scheme liability	-	(5,889,000)	-	(5,889,000)
Total net assets	262,359	(5,889,000)	30,082,632	24,455,991

19. Comparative Funds

	Balance at 1 Sept 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	8,574,883	(8,800,858)	225,975	-
Pupil Premium	-	598,185	(598,185)	-	-
Other DfE/EFA grants	-	85,471	(85,471)	-	-
Local authority revenue funding	-	133,490	(133,490)	-	-
Early Years Funding	-	67,781	(67,781)	-	-
Other restricted funds	-	9,420	(9,420)	-	-
Pension reserve	(4,195,000)	-	(467,000)	1,046,000	(3,616,000)
	(4,195,000)	9,469,230	(10,162,205)	1,271,975	(3,616,000)
Restricted fixed asset funds					
Devolved Formula Capital	618	38,090	-	(38,708)	-
Condition Improvement Fund	620,206	629,412	(542,794)	(124,046)	582,778
Intangible asset fund (note 13)	21,332	-	(9,002)	7,143	19,473
Fixed asset fund (note 14)	30,873,633	-	(711,682)	241,449	30,403,400
	31,515,789	667,502	(1,263,478)	85,838	31,005,651
Total restricted funds	27,320,789	10,136,733	(11,425,684)	1,357,813	27,389,652
Unrestricted funds					
Unrestricted funds	1,067,073	640,870	(563,566)	(311,813)	832,564
Total Unrestricted funds	1,067,073	640,870	(563,566)	(311,813)	832,564
Total funds	28,387,862	10,777,603	(11,989,249)	1,046,000	28,222,216

20. Comparative analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	19,473	19,473
Tangible fixed assets	-	-	30,403,400	30,403,400
Current assets	832,564	661,816	582,778	2,077,158
Current liabilities	-	(661,816)	-	(661,816)
Pension scheme liability	-	(3,616,000)	-	(3,616,000)
Total net assets	832,564	(3,616,000)	31,005,652	28,222,216

21. Capital Commitments

	2019 £	2018 £
Contracted for, but not provided in the financial statements	-	-

22. Commitments under operating leases

Operating leases

	2019 £	2018 £
Amounts due within one year	6,953	6,953
Amounts due between one and five years	-	-
Amounts due after five years	-	-
	<u>6,953</u>	<u>6,953</u>

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

	2019 £	2018 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(2,088,225)	(1,211,645)
Adjusted for:		
Cash impact of transfers on conversion	-	-
Amortisation (Note 12)	9,747	9,002
Depreciation (Note 13)	797,452	711,682
Profit on disposal of fixed assets	-	-
Capital grants from DfE and other capital income	(339,544)	(667,502)
Investment income received (note 6)	(902)	(994)
Defined benefit pension scheme cost less contributions payable [note 29]	643,000	542,000
Defined benefit pension scheme finance cost [note 29]	(48,000)	(75,000)
Operating cash flows before movement in working capital	<u>(1,026,472)</u>	<u>(692,457)</u>
(Increase) / decrease in stocks	-	-
(Increase) / decrease in debtors	(55,568)	(111,848)
Increase / (decrease) in creditors	150,537	(12,695)
Net cash (used in)/ provided by Operating Activities	<u>(931,503)</u>	<u>(817,000)</u>

24. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	-	-
Cash transferred on conversion to an academy trust	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

25. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	902	994
Proceeds from sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	-	(7,143)
Purchase of tangible fixed assets	(100,388)	(241,449)
Capital grants from DfE/EFA	339,544	667,502
Capital funding received from sponsors and others	-	-
Net cash provided by / (used in) investing activities	240,058	419,904

26. Analysis of cash and cash equivalents

	At 1 September 2018 £	Cash Flows £	At 31 August 2019 £
Cash in hand and at bank	1,649,717	(691,445)	958,272
	<u>1,649,717</u>	<u>(691,445)</u>	<u>958,272</u>

27. 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.

28. Contingent liabilities

There are no contingent liabilities that require disclosure

29. Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £151,000 were payable to the schemes at 31 August 2019 (2018: £136,000) and are included within creditors.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other

Teachers' Pension Scheme (continued)

educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £711,571 (2018: £654,904)

29. Pension and similar obligations (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website at the following location: <https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the

taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed schedule include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to the State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £598,000 (2018: £553,000), of which employer's contributions totalled £447,000 (2018: £417,000) and employees' contributions totalled £151,000 (2018: £136,000). The agreed contribution rates for future years are 14.7% for employers and 5.5-12.5% for employees until 31 March 2020. In addition, employer top-up contributions of £83,000, £84,000 and £86,000 are due for the year ended 31 March 2018, 2019 and 2020 respectively. The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

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.

29. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment/inflation	2.40%	2.70%
Discount rate for scheme liabilities	1.80%	2.60%
Inflation assumption (CPI)	2.40%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	22.7	23.4
Females	24.3	25.5
Retiring in 20 years		
Males	24.0	25.7
Females	25.7	27.9

Amounts recognised in the statement of financial activities

	2019 £	2018 £
Service cost	1,090,000	959,000
Net interest on the defined liability (asset)	107,000	116,000
Total operating charge	1,197,000	1,075,000

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

	2019 £	2018 £
At 1 September	8,497,000	8,291,000
Current service cost	1,090,000	959,000
Interest cost	251,000	229,000
Employee contributions	151,000	136,000
Actuarial (gain)/loss	1,678,000	(1,046,000)
Benefits paid	(72,000)	(72,000)
At 31 August 2019	11,595,000	8,497,000

29. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2019	2018
	£	£
At 1 September	4,881,000	4,096,000
Upon conversion		
Interest income	144,000	113,000
Return on plan assets (excluding net interest on the net defined pension liability)	155,000	191,000
Actuarial gain/(loss)	-	-
Administrative expenses	-	-
Employer contributions	447,000	417,000
Employee contributions	151,000	136,000
Benefits paid	(72,000)	(72,000)
Plan introductions, benefit changes, curtailments and settlements		
At 31 August 2019	5,706,000	4,881,000

Reconciliation of opening and closing deficit				
	2019		2018	
	£	£	£	£
Pension deficit at 1 September		(3,616,000)		(4,195,000)
Current service cost	(1,090,000)		(959,000)	
Employer contributions	447,000		417,000	
Additional pension cost		(643,000)		(542,000)
Other finance (gains) / costs		48,000		75,000
Actuarial gain/(losses)		(1,678,000)		1,046,000
Pension deficit at 31 August		(5,889,000)		(3,616,000)

30. 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustee's remuneration and expenses already disclosed in note 11.

31. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2019 the trust received £27,221 (2018: £27,211) and disbursed £21,346 (2018: £31,061) from the fund. An amount of £31,222 (including brought forward from prior years) (2018: £25,347) is included in other creditors relating to undistributed funds that are repayable to ESFA.