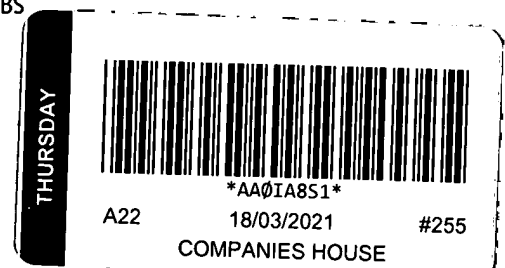


Report of the Governors and
Financial Statements
for the Year Ended 31 August 2020
for
Llangrove C E Academy

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS



Contents of the Financial Statements
for the Year Ended 31 August 2020

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Llangrove C E Academy

Reference and Administrative Details
for the Year Ended 31 August 2020

GOVERNORS

P Box (Principal Accounting Officer)
J Deloyde (Staff governor)
M Visser (resigned 04.08.20)
J Bibby (resigned 16.06.20)
R Woodcock (Chairman) (resigned 21.05.20)
D Morehead (resigned 20.05.20)
C Harris
S Dean (Staff Governor)
P Bentham
A Danson (resigned 04.08.20)
J Shannon

MEMBERS

Diocese of Hereford Educational Trust
Rev P Benthon (appointed 01.10.17)
Parochial Church Council Parish of Llangrove
Parochial Church Council Parish of Welsh Newton
Parochial Church Council Parish of Llangarron
Chair of Governors

SENIOR MANAGEMENT TEAM

P Box	Executive Headteacher
S Dean	Head of school
E Fox	Deputy Head of school

**DIRECTOR OF FINANCE AND
ADMINISTRATION**

J Deloyde

COMPANY NAME

Llangrove C E Academy

SENIOR STATUTORY AUDITOR

K M Tong FCCA, ACA

COMPANY SECRETARY

S Morehead

REGISTERED OFFICE

Llangrove
Ross on Wye
Herefordshire
HR9 6EZ

REGISTERED COMPANY NUMBER

08333208 (England and Wales)

AUDITORS

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

The governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The annual report serves the purposes of both a governors' report and a directors' report under company law.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing a school offering a broad range of curriculum of pupils of different abilities.

The aims of the Academy during the period ended 31 August 2020 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop students as more effective learners
- to develop the Academy sites so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to fulfil the role of a teaching school
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards and integrity, probity and openness.

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy continues to maintain and manage a school with a designated Church of England religious character, arranging for religious education and daily acts of worship. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

The main objectives for the year and strategies for achieving them are contained in the school's Strategic Development Plan which is available from each member of the Senior Leadership Team.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Llangrove C E Academy

Report of the Governors for the Year Ended 31 August 2020

STRATEGIC REPORT

Achievement and performance

Charitable activities

Llangrove CE Academy again continues to increase in pupil numbers after the successful Ofsted inspection in January 2019; achieving: Section 5, Outstanding School in Waiting.

Pupil numbers have continued to increase again this year with two of the year groups PAN being full.

We are also very proud and thrilled that Llangrove CE Academy achieved Outstanding in our SIAMS inspection back in November 2017. We are extremely proud of the children's achievements and felt that the report reflected our caring and nurturing school ethos. The full report is available on the school website.

Key performance indicators

As funding is based on pupil numbers this is a key performance indicator.

Pupil numbers for 19/20 were 68, an increase of 3 since 18/19.

Pupil attendance is another indicator used to determine performance. During the year 19/20 the overall percentage attendance rate was 95.03%, which is higher than the National Average for state funded schools.

Unfortunately, due to the COVID-19 virus many of our established annual Spring & Summer activities were cancelled. Our Year 5 pupils were due a wonderful residential trip to Bristol, which would have included visits to: We the Curious Museum, Brunel SS Great Britain & Noah's Ark Zoo.

Pupils from Year 6 across the HMFA schools were due to take part in a residential trip to the Oaker Wood activity centre. We truly hope these events will go ahead next year.

However, at Christmas time Acorn Class (reception and year 1) had a magically festive time when they visited Sutton Primary Academy. They met Father Christmas, two reindeer, made a long paper chain for their classroom and decorated biscuits. Oak Class (year 4, 5 & 6) had a far more serious experience when they visited our local Polling Station on Election Day, and went on to administer their own vote in school.

In January Oak Class pupils (and teachers) were transported back to January 1960. The school hall was rearranged to mimic the layout of Llangrove Primary School at that time and the children were taught lessons by 'former teachers'.

The final visit of this year took place in March where Beech Class (years 2 & 3) had a trip to Gloucester Mosque where they experienced first-hand an Islamic place of worship and talked to the local Imam about being Muslim in modern Britain.

PE Achievements & Performances 2019-20

School Games Mark Award

This academic year, Llangrove CE Academy were on target to maintain the Gold award achieved last year. However, due to the current circumstances, the Award has been delayed for the next Academic Year. In its place, Herefordshire School Games organisers decided to create their own Award for primary schools in Herefordshire and we have applied for this Award.

Herefordshire Virtual School Games

In June 2020, we were delighted to receive a Silver Medal in the Virtual School Summer Games. Competing against thirty/fifty other Primary schools in Herefordshire, the children were asked to throw a rugby ball at a target as many times as possible in 60 seconds. A great result for our school and home-learners!

Herefordshire School Games

In Autumn 2019, all children in Years 5 and 6 competed in the Indoor Athletics Competition at John Kyrle High School. Competing against seven other schools they just missed out on 3rd place by two points!

In Spring 2020, children in Year 4 travelled to Hereford to participate in a non-competitive Multiskills event also organised by Herefordshire School Games. The children participated in arrange of team and individual skills from crab crawling and balancing to running and batting.

HMFA Sports League

Llangrove CE Academy competed in one HMFA Federation Sports League this academic year.

" Netball tournament - held at Scudamore Academy - winning every game in their group, achieving 4th place in the finals."

Llangrove C E Academy

Report of the Governors for the Year Ended 31 August 2020

Multi-skills

The annual HMFA Federation multi-skills event at Hereford Leisure Centre for Reception and Year 1 was cancelled. However, the children participated at school instead! They were given a range of activities, designed to improve basic movement and fundamental sport skills in a fun and challenging way.

Dance

Reception & Year 1 were treated to a term of Dance lessons from Emily, a local Dance teacher. Keeping the term's theme of Superheroes, the children devised, practised and performed a range of super moves.

Years 4, 5 and 6 also created, practiced and performed a Superhero themed dance in preparation for a matinee and evening performances at the Courtyard Theatre in Hereford, which was unfortunately forced to be cancelled in March 2020. Instead, the children performed to the rest of the school.

For Sport relief this year the school participated in a "Danceathon". On the hour every hour, a dance was performed by all children and staff in every class!

Year 2 and 3 planned, practised and performed a few "Dinosaur" themed dances to the school. They taught everybody the dance moves to a song called "Everybody Walk the Dinosaur".

Years 1, 2 and 3 started Country Dancing lessons in preparation for the May Fayre from Mrs. Haggett.

Coaching

Children in Years 4, 5 and 6 had six weeks of coaching by a representative from Worcester Warriors.

Year 2 and 3 were visited from representatives from Ross Bowling Club and were given a chance to have a go at indoor bowling. Kate Williams, who represents England for the sport also did a question and answer session at the end of the afternoon.

Year 2 and 3 were due to receive weekly tennis coaching in April 2020 from Goodrich Tennis Club.

Swimming

Key Stage 1 completed half of their swimming coaching at Monmouth Girls School this year. All children spent one hour in the pool and as a result there has been significant improvement in water confidence and fitness. Swimming lessons and the annual Swimming Gala for Key Stage 2 was cancelled during the Spring term.

The Daily Mile

With the school now established as an official member of the "Daily Mile" community, the children at Llangrove Academy are most definitely fitter and more active. There is always an option to walk jog or run the mile - though by the summer term we anticipate a lot of runners! With the mile often pursued after a morning's Collective Worship, we have noticed an improved concentration in class.

Personal Challenges

Personal Challenges continue at breaktimes/lunchtimes for children to challenge themselves to beat their score/time at various allocated skills. These activities are also encouraged by our Lunchtime Supervisors. Team points are awarded to keep participation and engagement. Target groups have been identified to improve catching and throwing skills.

Year 6

Year 6 continue to develop their leading skills and lead the cool down sessions after the Daily Mile. The Summer Annual School Multiskills afternoon organised and run by Year 6, was cancelled.

Key financial performance indicators

These are covered throughout the Governors' Report.

STRATEGIC REPORT

Financial review

Financial position

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2020, total expenditure of £302,353 (2019: £298,427) was covered by recurrent grant funding from the DfES. The net expenditure before transfers and revaluations for the year was £22,587 (2019: £4,209 net expenditure).

At 31 August 2020, the net book value of fixed assets was £685,086 (2019: £702,721) and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy

The school will invest any surplus funds on deposit to ensure it maximises its return.

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £12,800 (2019: £11,475), all of which is free reserves. The level of general restricted reserves is £70,025 (2019: £55,890).

STRATEGIC REPORT

Financial review

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The Trustees have considered the effects of the Covid-19 Pandemic in their assessment.

Impact on the School Due to COVID-19

Due to the COVID-19 outbreak Llangrove CE Academy closed for all year groups on 20 March 2020 resulting in an unprecedented disruption to the education of the pupils. Staff were unable to carry out their normal activities to support children's learning, wellbeing, including helping them to prepare Y6 leavers for transition - teaching staff instead provided home learning activities, challenges and resources. These were planned and provided via Tapestry, Seesaw and email to pupils/parents weekly throughout lockdown. All pupils were provided with exercise books to record their home learning. Teachers provided feedback to pupils' who shared their home learning online. Staff provided parents/pupils with printed planning and resources on request from parents/carers throughout closure. We invested in White Rose Maths premium home learning resources to support the children's maths learning - providing them with daily videos with accompanying worksheets, which were emailed weekly to children.

Formal assessment, including national assessments, was cancelled during the lockdown period and the phased reopening/end of the school year 2019/20. The cancellation applied to: end of Key Stage 1 and Key Stage 2 assessments (including tests and teacher assessment); phonics screening check; Year 4 multiplication tables check and the Early Years Foundation Stage Profile. Primary school performance measures will therefore not be published for the 2019/20 academic year.

Throughout lockdown the school was open as a 'Learning Hub' for vulnerable pupils and children of key workers (for HMFA pupils from Llangrove CE Academy, St. Weonard's Primary and Kings Caple Academy). Llangrove teachers and non-teaching staff (who were not self-isolating or shielding) worked at the Learning Hub (along with other HMFA staff) on a rota basis whilst also providing home learning activities and feedback.

Phased reopening of the school - with staff working in three separate learning groups/bubbles - took place from Monday 15th June. The school initially opened for Reception, Year 1 and Year 6 pupils, the following week Year 5 pupils were invited to return. By 7th July all year groups had been invited to return, either full-time or on selected days. Pupils choosing not to return continued to be provided with home learning activities and online feedback. Being open as a Hub school meant that we had the opportunity to develop our practices to ensure the safety of the children on their return.

Fundraising

The Academy do not actively undertake fundraising activities.

STRATEGIC REPORT

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Plans for the future

Llangrove CE Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Llangrove CE Academy will continue to work with partner schools to improve the educational opportunities for students in Herefordshire.

As a partner teaching school with Worcester University the Academy will continue to support students completing initial teacher training.

The Key Initiatives for 2020/21 are:

- Ensure that all children are protected from harm; both physically and emotionally
- Provide the highest quality of education so that every child achieves their full potential, both academically as well as in artistic and sporting endeavour.
- Ensure that vulnerable and disadvantaged children receive the support they need to achieve their full potential.
- Ensure that children are equipped to cope with the pressure of life including effective management of social media.
- Enable children to make the best use of technology without allowing it to take over their lives.

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 Company was incorporated on the 17th December 2012 and converted from a Local Authority School to an Academy Trust on the 1st February 2013.

The governors act as the trustees for the charitable activities of Llangrove CE Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Llangrove CE Academy.

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

Members' liability

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Arthur J Gallagher Insurance Brokers.

Principal activities

This is defined in the Articles of Association.

Method of Recruitment and appointment or Election of Governors

This is defined in the Articles of Association:

The Members shall appoint a minimum of 8 Governors of whom the following corporate members shall also be governors the Incumbent ex officio and including:

- 3 persons nominated by the Diocesan Board of Education
- 2 persons appointed by Llangrove Parochial Church Council
- 1 person appointed by Welsh Newton Parochial Church Council
- 1 person appointed by Llangarron Parochial Church Council

The Members may appoint Staff Governors through such process as they may determine.

The Headteacher shall be treated for all purposes as being an ex official Governor.

Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Academy together with its close links with Herefordshire Marches Federation of Academies has a leadership structure which consists of the governors, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

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

The Senior Management Team are the Principal (Chief Executive), three Vice Principals and the Finance Director. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor. Some spending control is devolved to members of the Senior Management Team, with limits above which the Principal must countersign.

Heads of Department are responsible for the day to day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

Policies and Procedures for the Induction and training of Governors

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Arrangement for setting pay and remuneration of key management

1. Performance pay review is completed by the HMFA pay review committee, made up of representatives from each school, mostly Chairs of Governors, including Llangrove's Chair of Governors.
2. Performance Management in each school takes place on an annual cycle of review. It is undertaken by the senior leaders, Deputy Head teachers and Executive Head teachers.
3. Targets are related to current school key areas as well as individual targets and are linked to the new teacher standards.
4. Staff underperforming are given clear agreed targets with appropriate timescale for review, and a mentor from the leadership team.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties and other connected charities and organisations

The Academy has strong collaborative links with 2 other primary schools; Canon Pyon Primary Academy and Lord Scudamore Academy. The Headteacher Peter Box is Executive Headteachers at both of these schools.

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting. Details of related party transactions can be found in the notes to the financial statements.

AUDITORS

Insofar as the governors are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on^{9/12/2020} and signed on its behalf by:

.....
C Harris - Governor

Llangrove C E Academy

Governance Statement for the Year Ended 31 August 2020

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Llangrove C E Academy 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 of loss.

The board of the governors has delegated the day-to-day responsibility to the Executive Head Teacher, 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 Llangrove C E Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

The Trustees consider that the Board and its Committees combined, meet adequately and regularly over the course of the year in order to discharge their responsibilities and have robust and effective management arrangements.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Full Governing Body has formally met 3 times during the period. The Finance Committee has also formally met a further 3 times during the period. These meetings also covered Finance and staffing agendas. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings Attended	Out of a Possible
C Harris Chairman (appointed 27/5/20)	1	3
P Box Principal Accounting Officer	2	3
J Deloyde Staff Governor	2	3
S Dean Staff Governor	3	3
B Bentham	2	3
J Shannon	2	3
M Visser (resigned 4/8/20)	1	3
J Bibby (resigned 16/6/20)	2	3
D Morehead (resigned 21/5/20)	0	2
R Woodcock (Chairman, resigned 21/5/20)	2	2
A Danson (resigned 4/8/20)	2	3

Governance Review

The Academy annually reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented.

Review of Value for Money

As accounting officer the Executive Headteacher 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:

- HMFA have a legally bound connection with Llangrove and the other schools and academies in the Federation. We are able to minimise costs by the sharing of resources, staff, vehicles and combining pupil extra-curricular activities.
- We purchase services as a group to obtain discount and best rate. Examples of this are for Professional services, Advertising, IT licences, IT software, Combined Business Insurance.
- Where possible we negotiate and purchase services as a group to obtain discount and best rate. Two of our high value service providers offer discounts across the federation. These suppliers are Hoople Ltd who provides Payroll, Staffing and HR Services, Scholarpack (MIS) and Schools Advisory Service who provide staff absence insurance.
- We belong to Activate Central; a network of local schools within the county which focuses on professional development and training. This has provided us with the access to low cost specialist training events and expertise.
- As an academy we regularly look at our services and contracts to check if they need to be appraised or renegotiated to get the best mix of quality and effectiveness for the least cost. We continue to utilise the valuable people and skills we already have working in the Federation enabling us to make a further saving.
- Wherever possible we request annual service charges to be invoiced to us on a monthly/quarterly basis so that the cost can be evenly spread over the financial year to minimise impact on cash flow. Bank reconciliations are performed on a monthly basis to monitor cash flow.
- We adopt best practice in terms of prudence and financial management. Where possible a tender process is undertaken for any supplies or services over an agreed amount, this has driven down costs so as to obtain value for money.

The Academy Trust has continued to develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost.

- We continue to buy the Academy's heating oil within a local "oil syndicate" as a bulk order giving a considerable saving each year of up to £300. This is also saving time as it is organised by a local villager who sources the best price and arranges delivery on our behalf.
- Llangrove CE Academy together with the HMFA have continued this year with the IT SLA that was agreed in 2017. The purchasing of this SLA as a group has once again given all the school a significant saving this year.
- Our onsite pre-school generates additional rental income each year, Leapfrogs rental is on a daily basis for most of the year, including school holidays. We also promote the use of our school premises for lettings which includes: Parish Councils, Leapfrogs Preschool fundraising activities, Beavers/Rainbows, amongst others. This now generates another small extra income. However, this year due to COVID-19 this source of income has been greatly reduced.

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 charitable company 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 Llangrove C E Academy for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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 charitable company 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 Llangrove C E Academy for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Governance Statement
for the Year Ended 31 August 2020

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Llangrove CE Academy reconciliation of accounts are carried out on a monthly basis by the Finance Director and are subsequently checked and agreed by the Chair of Governors as internal reviewer.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems as described above. They regularly report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

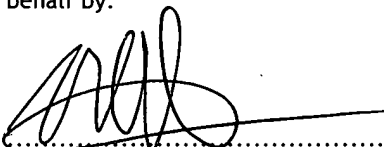
Review of Effectiveness

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

- the work of the Internal reviewer;
- 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 finance committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on9/12/2020..... and signed on its behalf by:


.....
C Harris - Governor


.....
P Box - Accounting Officer

Llangrove C E Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2020

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

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

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



.....
P Box - Accounting Officer

Date: 9/12/2020

Llangrove C E Academy

Statement of Governors' Responsibilities
for the Year Ended 31 August 2020

The governors (who act as trustees of Llangrove C E Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the governors are aware:

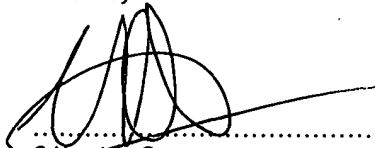
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website

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

Approved by order of the members of the board of trustees on 9/12/2020 and signed on its behalf by:


.....
C Harris - Governor

Report of the Independent Auditors to the Members of
Llangrove C E Academy

Opinion

We have audited the financial statements of Llangrove C E Academy (the 'charitable company') for the year ended 31 August 2020 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Llangrove C E Academy

Matters on which we are required to report by exception

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

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Responsibilities of governors

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

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

Our responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

The maintenance and integrity of the Llangrove Academy Trust website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Report of the Independent Auditors to the Members of
Llangrove C E Academy

Use of our report

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



Mr Kevin M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 9/12/2020

Note:

The maintenance and integrity of the Llangrove C E Academy website is the responsibility of the governors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to
Llangrove C E Academy and the Education and Skills Funding Agency

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

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

Respective responsibilities of Llangrove C E Academy's accounting officer and the reporting accountant

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

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

Approach

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

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

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 charitable company's income and expenditure.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.


Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 23 in the attached accounts.

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Independent Reporting Accountant's Assurance Report on Regularity to
Llangrove C E Academy and the Education and Skills Funding Agency

Thorne Widgey Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS



Date:9/12/2020.....

Llangrove C E Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2020


					31.8.20	31.8.19
	Notes	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	285	4,719	10,291	15,295	20,366
Charitable activities						
Funding for the academy's educational operations	3	-	-	416,116	416,116	357,870
Other trading activities	4	1,184	-	-	1,184	3,859
Investment income	5	41	-	-	41	41
Total		1,510	4,719	426,407	432,636	382,136
EXPENDITURE ON Charitable activities						
Academy's educational operations		185	18,764	436,274	455,223	386,345
Total	6	185	18,764	436,274	455,223	386,345
NET INCOME/(EXPENDITURE)		1,325	(14,045)	(9,867)	(22,587)	(4,209)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	(9,000)	(9,000)	(64,000)
Net movement in funds		1,325	(14,045)	(18,867)	(31,587)	(68,209)
RECONCILIATION OF FUNDS						
Total funds brought forward		11,475	704,158	(163,108)	552,525	620,734
TOTAL FUNDS CARRIED FORWARD		<u>12,800</u>	<u>690,113</u>	<u>(181,975)</u>	<u>520,938</u>	<u>552,525</u>

The notes form part of these financial statements

Balance Sheet
31 August 2020

	Notes	31.8.20 £	31.8.19 £
FIXED ASSETS			
Tangible assets	12	685,086	702,721
CURRENT ASSETS			
Debtors	13	17,340	12,786
Cash at bank and in hand		<u>91,574</u>	<u>74,232</u>
		108,914	87,018
CREDITORS			
Amounts falling due within one year	14	(21,062)	(18,214)
NET CURRENT ASSETS		<u>87,852</u>	<u>68,804</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		772,938	771,525
PENSION LIABILITY	19	(252,000)	(219,000)
NET ASSETS		<u>520,938</u>	<u>552,525</u>
FUNDS	18		
Unrestricted funds:			
Unrestricted Fund		12,800	11,475
Restricted funds:			
Restricted Pension Fund		(252,000)	(219,000)
General Annual Grant		54,185	37,491
Other Restricted		-	6,201
Other DfE/ESFA Grants		15,840	12,198
DfE/YPLA Capital Grants		10,921	9,546
Conversion and depreciation		668,522	679,662
Fixed Assets funded by other grants/donation		<u>10,670</u>	<u>14,952</u>
		508,138	541,050
TOTAL FUNDS		<u>520,938</u>	<u>552,525</u>

The financial statements were approved and authorised for issue by the Board of Governors and authorised for issue on 9/12/2019 and were signed on its behalf by:


.....
C Harris - Governor

Llangrove C E Academy

Cash Flow Statement
for the Year Ended 31 August 2020

	Notes	31.8.20 £	31.8.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>12,583</u>	<u>19,645</u>
Net cash provided by operating activities		<u>12,583</u>	<u>19,645</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(20,752)
Capital grants from DfE/EFA		4,718	9,386
Interest received		<u>41</u>	<u>41</u>
Net cash provided by/(used in) investing activities		<u>4,759</u>	<u>(11,325)</u>
Change in cash and cash equivalents in the reporting period		17,342	8,320
Cash and cash equivalents at the beginning of the reporting period		<u>74,232</u>	<u>65,912</u>
Cash and cash equivalents at the end of the reporting period		<u>91,574</u>	<u>74,232</u>

Notes to the Cash Flow Statement
for the Year Ended 31 August 2020

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.20 £	31.8.19 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(22,587)	(4,209)
Adjustments for:		
Depreciation charges	17,633	17,796
Capital grants from DfE/ESFA	(4,718)	(9,386)
Loss on disposal of fixed assets	-	305
Interest received	(41)	(41)
Increase in debtors	(4,554)	(1,323)
Increase in creditors	2,848	1,503
Difference between pension charge and cash contributions	24,002	15,000
Net cash provided by operations	<u>12,583</u>	<u>19,645</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	<u>74,232</u>	<u>17,342</u>	<u>91,574</u>
	<u>74,232</u>	<u>17,342</u>	<u>91,574</u>
Total	<u>74,232</u>	<u>17,342</u>	<u>91,574</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Llangrove C E Academy meets the definition of a public benefit entity under FRS 102.

Going concern & covid 19

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors 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.

The trustees have considered the impact of the current COVID-19 pandemic on the future finances of the academy.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £12,800 (2019: £11,475) all of which is free reserves. The level of general restricted reserves is £70,025 (2019: 55,890).

The Trustees are currently reviewing the financial position of the Academy to ensure it has a surplus on free reserves in the medium to long term, and the Trustees assume that the Academy will be able to continue as a going concern.

The Trustee's assessment that is appropriate to use the going concern assumption is based on the following:

- a) the Academy has adequate cash to fund its working capital requirements during this period;
- b) there is no significant unbudgeted expenditure or capital expenditure, unless supported by additional funding, during this period; and
- c) income is received in line with the forecast

On this basis the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Grants

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

Sponsorship income

Sponsorship income provided to the charity which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity 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'.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

The fixed asset capitalisation policy has been reviewed in the year and increased to £2,500. Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings

2% per annum

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixtures, fittings and equipment	15-20% per annum
ICT equipment	33 1/3% per annum

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.

Land and buildings are not revalued.

Included within long leasehold is land and buildings that the academy occupies site under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

Liabilities

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

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 straight line basis over the lease term.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1. ACCOUNTING POLICIES - continued

Taxation

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

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 Department for Education.

Pension costs and other post-retirement benefits

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

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

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.

The annual valuation at the year end has taken into account the effects of the McCloud judgement

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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 the pension note, 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 the year end. 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Capital grants	-	4,718	4,718	9,386
School trips etc	-	5,238	5,238	4,832
Grants and donations	<u>285</u>	<u>5,054</u>	<u>5,339</u>	<u>6,148</u>
	<u>285</u>	<u>15,010</u>	<u>15,295</u>	<u>20,366</u>

All of the figures included in the comparatives related to restricted funds.

Grants received, included in the above, are as follows:

	31.8.20 £	31.8.19 £
Capital Grant	<u>4,718</u>	<u>9,386</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	319,046	319,046	318,539
Other DFE/EFA Grant	<u>-</u>	<u>65,647</u>	<u>65,647</u>	<u>39,331</u>
	-	384,693	384,693	357,870
Other government grant				
High Needs Funding	<u>-</u>	<u>31,423</u>	<u>31,423</u>	<u>-</u>
	<u>-</u>	<u>416,116</u>	<u>416,116</u>	<u>357,870</u>

All of the figures included in the comparatives related to restricted funds.
No funding has been received relating to Covid-19.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Hire of facilities	<u>1,184</u>	<u>-</u>	<u>1,184</u>	<u>3,859</u>

All of the figures included in the comparatives related to unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Deposit account interest	<u>41</u>	<u>-</u>	<u>41</u>	<u>41</u>

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

	Non-pay expenditure			31.8.20	31.8.19
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	228,057	11,140	69,972	309,169	246,352
Allocated support costs	<u>75,692</u>	<u>23,134</u>	<u>47,228</u>	<u>146,054</u>	<u>139,993</u>
	<u>303,749</u>	<u>34,274</u>	<u>117,200</u>	<u>455,223</u>	<u>386,345</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.20 £	31.8.19 £
Auditors' remuneration	7,000	6,157
Other non-audit services	290	500
Depreciation - owned assets	17,635	17,796
Deficit on disposal of fixed assets	-	305
Operating leases	<u>767</u>	<u>767</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Direct costs	185	308,984	309,169	246,352
Support costs	-	146,054	146,054	139,993
	<u>185</u>	<u>455,038</u>	<u>455,223</u>	<u>386,345</u>
			31.8.20 Total £	31.8.19 Total £
Analysis of support costs				
Support staff costs			75,692	69,940
Depreciation			6,493	6,961
Administrative supplies			7,148	10,442
Premises costs			23,134	26,253
Other support costs			26,297	19,740
Governance costs			<u>7,290</u>	<u>6,657</u>
Total support costs			<u>146,054</u>	<u>139,993</u>

All of the figures included in the comparatives related to restricted funds.

8. GOVERNORS' REMUNERATION AND BENEFITS

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

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

J Deloyde (staff governor):	Remuneration	£30,000 - £35,000	(2019: £30,000 - £35,000)
	Employers Pension Contributions	£5,000 - £10,000	(2019: £5,000 - £10,000)
S Dean (staff governor):	Remuneration	£35,000 - £40,000	(2019: £35,000 - £40,000)
	Employers Pension Contributions	£5,000 - £10,000	(2018: £5,000 - £10,000)

Remuneration for governors appointed and resigning during the year are only stated for the period the individual was acting as a governor.

Other related party transactions involving the trustees are set out in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

8. GOVERNORS' REMUNERATION AND BENEFITS - continued

Governors' expenses

During the period ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid directly to any trustees (2019: £0).

9. STAFF COSTS

	31.8.20	31.8.19
	£	£
Wages and salaries	233,011	190,311
Social security costs	12,508	13,053
Operating costs of defined benefit pension schemes	<u>56,699</u>	<u>36,305</u>
	302,218	239,669
Supply teacher costs	<u>1,531</u>	<u>1,422</u>
	<u><u>303,749</u></u>	<u><u>241,091</u></u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.20	31.8.19
Teachers	3	3
Administration and Support	11	8
Management	<u>1</u>	<u>1</u>
	<u><u>15</u></u>	<u><u>12</u></u>

No employees received emoluments in excess of £60,000.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £140,683 (2019 £133,531)

2019

From the 1 September 2018, the Executive Headship services have been provided by the Hereford Marches Federation of Academies. During the year a gross fee of £20,000 was charged in relation to these services.

2020

From the 1 September 2019, £20,000 of executive headship services have been provided by the Hereford Marches Federation of Academies. In addition to £5,000 related to central staffing services.

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2020 was £30 (2019: £30).

The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	11,214	9,152	20,366
Charitable activities				
Funding for the academy's educational operations	-	-	357,870	357,870
Other trading activities	3,858	-	1	3,859
Investment income	<u>41</u>	<u>-</u>	<u>-</u>	<u>41</u>
Total	3,899	11,214	367,023	382,136
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	25,883	360,462	386,345
Total	-	25,883	360,462	386,345
NET INCOME/(EXPENDITURE)	3,899	(14,669)	6,561	(4,209)
Transfers between funds	<u>-</u>	<u>10,887</u>	<u>(10,887)</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>-</u>	<u>(64,000)</u>	<u>(64,000)</u>
Net movement in funds	3,899	(3,782)	(68,326)	(68,209)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>7,576</u>	<u>707,942</u>	<u>(94,784)</u>	<u>620,734</u>
TOTAL FUNDS CARRIED FORWARD	<u>11,475</u>	<u>704,160</u>	<u>(163,110)</u>	<u>552,525</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 September 2019 and 31 August 2020	<u>753,000</u>	<u>47,069</u>	<u>800,069</u>
DEPRECIATION			
At 1 September 2019	73,338	24,010	97,348
Charge for year	<u>11,140</u>	<u>6,495</u>	<u>17,635</u>
At 31 August 2020	<u>84,478</u>	<u>30,505</u>	<u>114,983</u>
NET BOOK VALUE			
At 31 August 2020	<u>668,522</u>	<u>16,564</u>	<u>685,086</u>
At 31 August 2019	<u>679,662</u>	<u>23,059</u>	<u>702,721</u>

Included within long leasehold is land and buildings that the academy occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

Included within long leasehold is non-depreciated land with a value of £196,000.

Land and buildings are not revalued.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20 £	31.8.19 £
Trade debtors	-	75
VAT	2,158	2,554
Prepayments and accrued income	<u>15,182</u>	<u>10,157</u>
	<u>17,340</u>	<u>12,786</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20 £	31.8.19 £
Trade creditors	1,039	4,452
Social security and other taxes	9,915	7,562
Other creditors	177	28
Accruals and deferred income	7,467	5,481
Accrued expenses	<u>2,464</u>	<u>691</u>
	<u>21,062</u>	<u>18,214</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meal grant relating to the Autumn 2020 term. In addition to the PE & Sport Grant deferred income because funding received has been unable to be spent due to COVID-19.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.20 £	31.8.19 £
Within one year	767	767
Between one and five years	<u>384</u>	<u>1,151</u>
	<u>1,151</u>	<u>1,918</u>

16. 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.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

		Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.20 Total funds £
Fixed assets	Unrestricted fund £	685,086	-	685,086
Current assets	12,800	5,027	91,087	108,914
Current liabilities	-	-	(21,062)	(21,062)
Pension liability	-	-	<u>(252,000)</u>	<u>(252,000)</u>
	<u>12,800</u>	<u>690,113</u>	<u>(181,975)</u>	<u>520,938</u>

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

		Restricted Fixed Asset Fund £	Restricted General Fund £	31.8.19 Total funds £
Fixed assets	Unrestricted fund £	702,721	-	702,721
Current assets	11,475	3,980	71,563	87,018
Current liabilities	-	(2,541)	(15,673)	(18,214)
Pension liability	-	-	<u>(219,000)</u>	<u>(219,000)</u>
	<u>11,475</u>	<u>704,160</u>	<u>(163,110)</u>	<u>552,525</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
Unrestricted Fund	11,475	1,325	12,800
Restricted funds			
Restricted Pension Fund	(219,000)	(33,000)	(252,000)
General Annual Grant	37,491	16,694	54,185
Other Restricted	6,203	(6,203)	-
Other DfE/ESFA Grants	12,198	3,642	15,840
DfE/YPLA Capital Grants	9,544	1,377	10,921
Conversion and depreciation	679,662	(11,140)	668,522
Fixed Assets funded by other grants/donation	14,952	(4,282)	10,670
	<u>541,050</u>	<u>(32,912)</u>	<u>508,138</u>
TOTAL FUNDS	<u>552,525</u>	<u>(31,587)</u>	<u>520,938</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	1,510	(185)	-	1,325
Restricted funds				
Restricted Pension Fund	-	(24,000)	(9,000)	(33,000)
General Annual Grant	319,047	(302,353)	-	16,694
Other Restricted	41,713	(47,916)	-	(6,203)
Other DfE/ESFA Grants	65,647	(62,005)	-	3,642
DfE/YPLA Capital Grants	4,720	(3,343)	-	1,377
Conversion and depreciation	-	(11,140)	-	(11,140)
Fixed Assets funded by other grants/donation	(1)	(4,281)	-	(4,282)
	<u>431,126</u>	<u>(455,038)</u>	<u>(9,000)</u>	<u>(32,912)</u>
TOTAL FUNDS	<u>432,636</u>	<u>(455,223)</u>	<u>(9,000)</u>	<u>(31,587)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
Unrestricted Fund	7,576	3,899	-	11,475
Restricted funds				
Restricted Pension Fund	(140,000)	(79,000)	-	(219,000)
General Annual Grant	28,264	20,114	(10,887)	37,491
Other Restricted	6,202	(1)	-	6,201
Other DfE/ESFA Grants	10,750	1,448	-	12,198
DfE/YPLA Capital Grants	10,609	(1,063)	-	9,546
Conversion and depreciation	690,802	(11,140)	-	679,662
Fixed Assets funded by other grants/donation	6,531	(2,466)	10,887	14,952
	<u>613,158</u>	<u>(72,108)</u>	<u>-</u>	<u>541,050</u>
TOTAL FUNDS	<u>620,734</u>	<u>(68,209)</u>	<u>-</u>	<u>552,525</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	3,899	-	-	3,899
Restricted funds				
Restricted Pension Fund	-	(15,000)	(64,000)	(79,000)
General Annual Grant	318,541	(298,427)	-	20,114
Other Restricted	10,702	(10,703)	-	(1)
Other DfE/ESFA Grants	37,780	(36,332)	-	1,448
DfE/YPLA Capital Grants	9,385	(10,448)	-	(1,063)
Conversion and depreciation	-	(11,140)	-	(11,140)
Fixed Assets funded by other grants/donation	1,829	(4,295)	-	(2,466)
	<u>378,237</u>	<u>(386,345)</u>	<u>(64,000)</u>	<u>(72,108)</u>
TOTAL FUNDS	<u>382,136</u>	<u>(386,345)</u>	<u>(64,000)</u>	<u>(68,209)</u>

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

19. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £4,579 were payable to the schemes at 31 August 2020 (2019: £2,656) and are included within creditors.

Teachers' pension scheme

Introduction

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

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

Valuation of the teachers' pension scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £25,839 (2019: £17,280).

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

Under the definitions set out in FRS 102, the TPS is 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 2020 was £31,814 (2019: £19,321), of which employer's contributions totalled £24,818 (2019: £14,454) and employees' contributions totalled £6,996 (2019: £4,868). The agreed contribution rates for future years are 24.7% for employers and between 5.5% and 9.9% for employees.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

The annual valuation at the year end has taken into account the effects of the McCloud judgement.

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels. The rates payable over a three year period will be the Future Service Rate as a percentage of payroll plus phased lump sum deficit contributions.

The rate payable from 1 April 2021 will be further revised following the valuation of the Pension Fund on 31 March 2020.

The current estimated recovery period is 18 years.

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Present value of funded obligations	(447,000)	(374,000)
Fair value of plan assets	<u>195,000</u>	<u>155,000</u>
	(252,000)	(219,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(252,000)</u>	<u>(219,000)</u>
Net liability	<u>(252,000)</u>	<u>(219,000)</u>

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

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Current service cost	51,000	26,000
Net interest from net defined benefit asset/liability	4,000	4,000
Past service cost	<u>-</u>	<u>5,000</u>
	<u>55,000</u>	<u>35,000</u>
Actual return on plan assets	<u>3,000</u>	<u>6,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Opening defined benefit obligation	374,000	265,000
Current service cost	51,000	26,000
Past service cost	-	5,000
Contributions by scheme participants	7,000	5,000
Interest cost	7,000	8,000
Actuarial losses/(gains)	9,000	66,000
Benefits paid	<u>(1,000)</u>	<u>(1,000)</u>
	<u>447,000</u>	<u>374,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Opening fair value of scheme assets	155,000	125,000
Contributions by employer	31,000	20,000
Contributions by scheme participants	7,000	5,000
Expected return	3,000	4,000
Actuarial gains/(losses)	-	2,000
Benefits paid	<u>(1,000)</u>	<u>(1,000)</u>
	<u>195,000</u>	<u>155,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Actuarial gains/(losses)	<u>(9,000)</u>	<u>(64,000)</u>
	<u>(9,000)</u>	<u>(64,000)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Equities	129,000	110,000
Government bonds	13,000	12,000
Bonds - Other	10,000	8,000
Cash/liquidity	8,000	9,000
Property	11,000	4,000
Other	24,000	12,000
	<u>195,000</u>	<u>155,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.20	31.8.19
Discount rate	1.80%	2.80%
Future salary increases	3.60%	3.60%
Future pension increases	2.20%	2.20%
Inflation assumption (CPI)	2.10%	2.10%

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

	31.8.20	31.8.19
Retiring today		
Males	22.6	22.8
Females	25.0	25.8
Retiring in 20 years		
Males	24.2	25.1
Females	27	28.2

Sensitivity Analysis

	31.8.20 £000's	31.8.19 £000's
Discount rate +0.1%	244	211
Mortality assumption - 1 year increase	264	226
CPI rate +0.1%	260	226

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

20. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

21. CAPITAL COMMITMENTS

	31.8.20 £	31.8.19 £
Contracted but not provided for in the financial statements	-	-

22. OTHER FINANCIAL COMMITMENTS

At 31 August 2020 the academy was committed to pay £0 (2019: £1,656) in relation to contracted repair works.

23. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The following related party transactions took place in the period of account.

The Hereford Marches Federation of Academies - an academy which P Box is a Governor:

- During the year income of £Nil (2019: £Nil) was received from The Hereford Marches Federation of Academies
- During the year expenditure of £29,606 (2019: £26,704) was paid to The Hereford Marches Federation of Academies. £20,000 of this related to the Executive Headship Services, £5,000 related to central staffing services and the remainder was relating to the recharge of expenditure all in the course of normal business.
- At the year end £nil was due to The Hereford Marches Federation of Academies (2019: £1,004)

S Morehead - company secretary of the academy:

- During the year S Morehead invoiced the academy for £923 (2019: £852) in relation to providing the company secretary service.
- Gross fees of £1,083 (2019: £917) were also paid to S Morehead through IR35 in relation to a health and safety service level agreement.
- There were no amounts outstanding at the year end (2019: £Nil)

Transactions with other federation academies:

		Income	Expenditure
Canon Pyon CE Academy	P Box is Executive Headteacher	£Nil (2019: £Nil)	£Nil (2019: £28)
Marden Primary Academy	Headteacher is M Newton who is P Box partner	£Nil (2019: £Nil)	£Nil (2019: £Nil)
Kings Cagle Academy	P Box is Headteacher	£Nil (2019: £Nil)	£Nil (2019: £Nil)
Sutton Primary Academy	P Box is Headteacher	£Nil (2019: £Nil)	£33 (2019: £Nil)
St Weonards Primary School	M Newton is Executive Headteacher	£Nil (2019: £Nil)	£Nil (2019: £4,399)

All of the above transaction were made in the normal course of business, £Nil was due to the academy at the year end (2019: £Nil).

HMFA Enterprises, a subsidiary company of Hereford Marches Federation of Academies.

23. RELATED PARTY DISCLOSURES - continued

- During the year income of £Nil (2019: £Nil) was received from HMFA Enterprises
During the year expenditure of £18,663 (2019: £6,412) was paid to HMFA Enterprises. This expenditure was in relation to the provision of school meals to Llangrove CE Academy.
- At the year end no amounts were due to HMFA Enterprises (2019: £Nil)