

Report of the Governors and
Financial Statements
for the Year Ended 31 August 2020
for
Burghill Community Academy

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

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for the Year Ended 31 August 2020

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Burghill Community Academy

Reference and Administrative Details
for the Year Ended 31 August 2020

MEMBERS:

M Ellis (appointed 26.11.19)
D Truluck (appointed 26.11.19)
P Littlewood

GOVERNORS

P Littlewood *
M C Reynolds (resigned 26.11.19)
J Symonds
M Ellis
C Stevenson Community Governor
D Truluck Community Governor
D A Davies Executive Headteacher
C Porter Parent Governor (appointed 26.11.19)

* members of the finance and general purpose committee

SENIOR LEADERSHIP TEAM

Executive Headteacher
Deputy Headteacher
School Business Manager

A Davies
J Symonds
R Lovell (under SLA arrangement)

ACCOUNTING OFFICER

A Davies

COMPANY NAME

Burghill Community Academy

REGISTERED OFFICE

Burghill
Hereford
Herefordshire
HR4 7RP

REGISTERED COMPANY NUMBER

08472117 (England and Wales)

SENIOR STATUTORY AUDITOR

Mr K M Tong FCCA, ACA

AUDITORS

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

Report of the Governors
for the Year Ended 31 August 2020

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy 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 purpose of both a Trustees' report and a Directors' report under company law.

The Trust operates an academy for pupils aged 5 to 11 in Herefordshire. It has a pupils on roll of 95 in the school census on 1 October 2020.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the school 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 school 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 develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the school'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 school is a community in which children, staff and parents should be part of a happy and caring environment.

The academy has enhanced its provision considerably during the academic year, as we have now built pre-school classroom, which can accommodate up to 20 children on a day to day basis. This houses its own outdoor play area and kitchen and toilet facilities. It has also freed up space in the school building to allow for an additional learning space. Both the pre-school and learning space have been furnished with touch screen monitors to enhance the learning experience further.

Objectives, Strategies and Activities

- to continue our journey towards being recognised as an outstanding school
- to continue to develop our curriculum to meet the needs of our community and achieve the very best for every pupil who attends
- to ensure progress and attainment levels remain high in all year groups and across all key groups
- to develop the grounds and create a learning area which focuses on outdoor activities such as gardening and Forest Schools work
- to continue to introduce new technology to continue in support of children's learning across the curriculum
- to replace the temporary buildings on site with modern well resources learning areas.

Report of the Governors
for the Year Ended 31 August 2020

OBJECTIVES AND ACTIVITIES

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.

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

During the academic year 2019-2020 it has been difficult to comment on the performance of year groups due to the Covid-19 pandemic. However the previous years performance data shows that at KS1 and KS2 children at Burghill achieve well and meet national floor standards. There are no significant gaps in performance of disadvantaged children across the school compared to the national averages and compared to their peers. At KS2 the children achieved particularly well for Reading, Writing and Maths combined at Greater Depth and was well above National. The academy received an Ofsted inspection in December 2019 and received a 'Good' judgement, which all stakeholders are very proud of.

Financial review

Principal funding sources

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 2019), 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 period ended 31 August 2020, total expenditure of £402,904 (2019: £370,609) was covered by recurrent grant funding from the DfE. The net incoming resources before transfers and revaluations for the period was £33,739 (2019: £62,105).

At 31 August 2020, the net book value of fixed assets was £1,186,159 (2019: £1,090,212) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy and objectives

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 £49,865 (2019: £91,054), all of which is free reserves.

Report of the Governors
for the Year Ended 31 August 2020

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 and note 18 of the notes to the financial statements.

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 Burghill Community 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.

Formal assessment, including national assessments, was cancelled during the lockdown period and the phased reopening/end of the school year 2019/20. Primary school performance measures will therefore not be published for the 2019/20 academic year.

During lockdown the school closed, however joined staffing teams with Stretton Sugwas Academy and operated fully from Stretton Sugwas Academy and was open to children of key workers staff worked on a rota basis whilst also providing home learning activities and feedback.

During the lockdown period self generated income from the pre-school and breakfast and after school clubs stopped, however ongoing expenditure continued, along with additional costs including, but not limited to cleaning and cleaning materials. The school received reimbursement for the some of the additional expenditure incurred in the form of a Coronavirus Emergency Support Grant, and also received furlough grants for the pre-school and clubs staff wages.

Phased reopening of the school - with staff working in three separate learning groups/bubbles - took place from 1 June 2020. The school initially opened for Reception, Year 1 and Year 6 pupils. The school was able to invite the other year groups in for specific days during July. Pupils choosing not to return continued to be provided with home learning activities and online feedback.

Fundraising

There were no significant fundraising activities during the year.

Report of the Governors
for the Year Ended 31 August 2020

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.

Future plans

Over the last 2 years the academy has seen significant changes. All classrooms now furnished with touch screen monitors (along with the hall, pre-school and intervention room). There has also been two build projects, including New Classroom for Reception children, and the Pre-school building. Staff parking and landscaping has also been improved. Plans include looking at the old section of the school and how this can be improved to accommodate the older children more effectively.

Plans for the future include building on the links made between Burghill and Stretton Sugwas Academies with the executive head role in place.

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 3rd April 2013 and converted from a Local Authority School to an Academy Trust on the 1st May 2013.

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

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details at the start of this report.

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.

Report of the Governors
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Zurich.

Principal activities

This is defined in the Articles of Association.

Recruitment and appointment of new trustees

This is defined in the Articles of Association:

The members shall appoint not less than 3 and up to 7 Governors.

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

A minimum of 2 Parent Governors shall be elected by parents of registered pupils at the Academy. A parent Governor must be a parent at the Academy at the time when he/she is elected.

The total number of Governors (including the Principal) who are employees of the Academy Trust shall not exceed one-third of the total number of Governors.

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 in secret ballot.

Organisational structure

The Academy 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 school appoints an Executive Headteacher who acts as the Accounting Officer.

The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by 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 consists of the Headteacher and the School Business Manager. 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.

Induction and training of new trustees

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.

Key management remuneration

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression.

Report of the Governors
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected Organisations, including Related Party Relationships

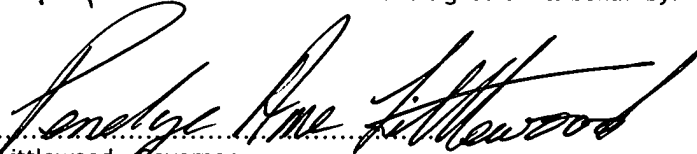
From 1 September 2018 D A Davies became Executive Headteacher for Burghill Community Academy and Stretton Sugwas C Of E Academy provide a financial SLA for the academy.

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.

Governors report, incorporating a strategic report, was approved by order of the board of governors on 18/12/2020 and signed on its behalf by:


P Littlewood Governor

Governance Statement
for the Year Ended 31 August 2020

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Burghill Community 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.

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

The board of the governors has delegated the day-to-day responsibility to the Executive Headteacher, 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 Burghill Community 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.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors' Responsibilities. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
P Littlewood	5	5
D A Davies (Executive Headteacher)	5	5
M C Reynolds (resigned 26.11.19)	0	1
J Symonds	5	5
M Ellis	4	5
C Stevenson (Community Governor)	4	5
D Truluck (Community Governor)	4	5

Governance Review

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

The Resource Committee is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's finance and resources, including statutory requirements and the school's financial policy. Attendance during the period at meetings of the resource committee was as follows:

Governor	Meetings Attended	Out of possible
D Truluck	3	3
Rev P Littlewood	3	3
M Ellis	2	3
J Symonds	3	3
D A Davies	3	3

Review of Value for Money

I accept that as accounting officer of Burghill Community Academy I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Improving educational results

Our rigorous, broad and balanced curriculum ensures all pupils have the opportunity to fulfil their academic and emotional potential.

We regularly review the staffing structure to ensure staff are efficiently and effectively deployed and are appropriately qualified and experienced including the use of specialists for specific areas of the curriculum as appropriate.

Teaching is of good quality and performance management is used effectively to develop staff skills to improve outcomes for pupils. Where teaching has identified weaknesses, staff are supported to improve or performance management competency procedures are followed.

We bring in additional staff to target key curriculum areas, such as providing expert tuition in music and teaching of the PE curriculum with a sports specialist. We also provide targeted support for pupils as appropriate through individual and small group intervention with teaching assistants and through narrowing the gap time with teachers.

We focus on the differing needs of every individual pupil. This is reflected in the outcomes we achieve for our Services population and FSM pupils.

We have effective assessment and tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.

We have consistently produced excellent outcomes for our FSM students ensuring the school continues to close the gaps in attainment. Pupil Premium monies have been allocated to optimal effect, as illustrated by the detailed breakdown on the Burghill Community Academy website.

The academy has continued to appoint an Executive Head and shared Business Manager, allowing the school to make savings, not only in the costs of having a Headteacher and BM at the school alone, but also through better negotiations with SLAs, with better buying power and driving down costs.

Financial Performance

All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for our school.

Contracts have been taken where better Value for Money can be achieved, such as a new telephone system and internet provider.

School identifies where any areas are significantly over or under spent and are thoroughly investigated and assurances provided that the spend is appropriate to our school. For example we have looked at the higher spend on supply cover due to staff sickness absence and have reviewed our insurance cover.

The school Tendering policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects. A minimum of 3 quotes are obtained before spending for any major projects.

Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Burghill Community 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.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy'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 monthly and termly financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- 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 to appoint an Internal Reviewer, Sharon Williams.

The internal reviewer's role includes giving advice on financial and other 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.

Governance Statement
for the Year Ended 31 August 2020

Review of Effectiveness


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

- the work of the internal reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School 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 and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on18/12/2020..... and signed on its behalf by:


.....
P Littlewood - Governor


.....
A Davies - Accounting Officer

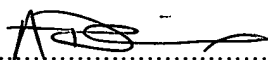
Burghill Community Academy

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

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

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

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



.....
A Davies - Accounting Officer

Date:18/12/2020.....

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

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

Approved by order of the members of the board of governors on18/12/2020..... and signed on its behalf by:



P Littlewood Governor

Opinion

We have audited the financial statements of Burghill Community Academy (the 'academy') 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 academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 academy 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 academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy 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 academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

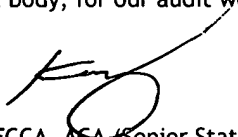
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is 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.

Report of the Independent Auditors to the Members of
Burghill Community Academy (Registered number: 08472117)

Use of our report

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



Mr K 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: ...22/12/2020.....

Note:

The maintenance and integrity of the Burghill Community 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
Burghill Community 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 Burghill Community 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 Burghill Community Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Burghill Community 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 Burghill Community Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Burghill Community Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Burghill Community 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 academy'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 purposes 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 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.

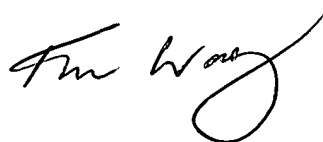
Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in the notes in the attached accounts.

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
Burghill Community 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: 22/12/2020

Burghill Community 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 Assets Fund £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	5,080	68,513	73,593	67,713
Charitable activities						
Funding for the academy's educational operations	3	-	-	542,451	542,451	522,870
Other trading activities	4	8,613	-	12,778	21,391	23,973
Investment income	5	<u>56</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>452</u>
Total		8,669	5,080	623,742	637,491	615,008
EXPENDITURE ON Charitable activities						
Academy's educational operations		<u>13,113</u>	<u>40,829</u>	<u>549,811</u>	<u>603,753</u>	<u>552,903</u>
Total	6	13,113	40,829	549,811	603,753	552,903
NET INCOME/(EXPENDITURE)		(4,444)	(35,749)	73,931	33,738	62,105
Transfers between funds	18	<u>(36,744)</u>	<u>131,695</u>	<u>(94,951)</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>(47,000)</u>
Net movement in funds		(41,188)	95,946	(15,020)	39,738	15,105
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>91,054</u>	<u>1,090,213</u>	<u>(154,244)</u>	<u>1,027,023</u>	<u>1,011,918</u>
TOTAL FUNDS CARRIED FORWARD		<u>49,866</u>	<u>1,186,159</u>	<u>(169,264)</u>	<u>1,066,761</u>	<u>1,027,023</u>

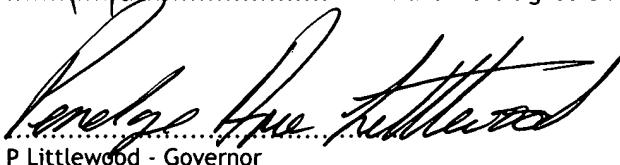
The notes form part of these financial statements

Balance Sheet
31 August 2020

	Notes	31.8.20 £	31.8.19 £
FIXED ASSETS			
Tangible assets	12	1,186,159	1,090,212
CURRENT ASSETS			
Debtors	13	27,398	21,426
Cash at bank and in hand		<u>78,925</u>	<u>113,467</u>
		106,323	134,893
CREDITORS			
Amounts falling due within one year	14	(43,721)	(26,082)
NET CURRENT ASSETS		<u>62,602</u>	<u>108,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,248,761	1,199,023
PENSION LIABILITY	19	(182,000)	(172,000)
NET ASSETS		<u>1,066,761</u>	<u>1,027,023</u>
FUNDS	18		
Unrestricted funds:			
General Fund		46,512	46,455
Muddy Boots Pre-school		6,018	44,599
Clubs		<u>(2,664)</u>	-
		49,866	91,054
Restricted funds:			
General Annual Grant		8,219	17,756
Restricted Pension Fund		(182,000)	(172,000)
Conversion and depreciation		897,353	911,873
Other DfE/ESFA Grants		4,517	-
DfE/ESFA Capital Grants		155,426	164,560
Other Fixed Asset Fund		<u>133,380</u>	<u>13,780</u>
		1,016,895	935,969
TOTAL FUNDS		<u>1,066,761</u>	<u>1,027,023</u>

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

The financial statements were approved by the Board of Governors and authorised for issue on 18/12/2020 and were signed on its behalf by:


P Littlewood - Governor

Burghill Community 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>92,017</u>	<u>62,100</u>
Net cash provided by operating activities		<u>92,017</u>	<u>62,100</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(131,695)	(189,652)
Capital grants from DfE/EFA		5,080	29,221
Interest received		<u>56</u>	<u>452</u>
Net cash used in investing activities		<u>(126,559)</u>	<u>(159,979)</u>
Change in cash and cash equivalents in the reporting period		(34,542)	(97,879)
Cash and cash equivalents at the beginning of the reporting period		<u>113,467</u>	<u>211,346</u>
Cash and cash equivalents at the end of the reporting period		<u>78,925</u>	<u>113,467</u>

The notes form part of these financial statements

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

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

	31.8.20 £	31.8.19 £
Net income for the reporting period (as per the Statement of Financial Activities)	33,738	62,105
Adjustments for:		
Depreciation charges	35,749	27,144
Capital grants from DfE/ESFA	(5,080)	(29,221)
Interest received	(56)	(452)
Increase in debtors	(5,972)	(3,479)
Increase/(decrease) in creditors	17,638	(4,997)
Difference between pension charge and cash contributions	<u>16,000</u>	<u>11,000</u>
Net cash provided by operations	<u>92,017</u>	<u>62,100</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>113,467</u>	<u>(34,542)</u>	<u>78,925</u>
	<u>113,467</u>	<u>(34,542)</u>	<u>78,925</u>
Total	<u>113,467</u>	<u>(34,542)</u>	<u>78,925</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, 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.

Burghill Community 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 £49,865 (2019: £91,054) all of which is free reserves. The level of general restricted reserves is £8,221 (2019: £17,756).

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 academy 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.

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 academy 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 academy has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 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

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- Straight line over 50 years
Improvements to property	- 5% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

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.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Assets in the course of construction are included at cost. Depreciation of 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.

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

Leased Assets

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

Investments

Any surplus funds will be invested to ensure maximum deposit.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education funding Agency 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 of Education.

1. ACCOUNTING POLICIES - continued

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 31 August 2020 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 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.

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

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

1. ACCOUNTING POLICIES - continued

Liabilities

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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Other grants and payments	-	63,693	63,693	26,648
Grants	-	5,080	5,080	29,221
School trips	-	4,820	4,820	11,844
	-	<u>73,593</u>	<u>73,593</u>	<u>67,713</u>

The comparatives include unrestricted funds of £5,503 and restricted funds of £62,210 giving a total of £67,713.

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

	31.8.20 £	31.8.19 £
Capital Grant	<u>5,080</u>	<u>29,221</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)	-	416,884	416,884	415,655
Other DfE/ESFA Grants	-	<u>65,845</u>	<u>65,845</u>	<u>56,423</u>
	-	482,729	482,729	472,078
Other government grant				
Other Government grants	-	46,737	46,737	50,792
 Coronavirus Job Retention Scheme Grant	-	7,278	7,278	-
Coronavirus Emergency Support Grant	-	<u>5,707</u>	<u>5,707</u>	-
	-	<u>12,985</u>	<u>12,985</u>	-
	-	<u>542,451</u>	<u>542,451</u>	<u>522,870</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under exceptional government funding.

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

- The funding received for coronavirus emergency support covers £6k of cleaning and hygiene costs. These costs are included in notes 5 and 6 below as appropriate.

The academy furloughed some of its pre school and wrap around staff under the government's CJRS. The funding received of £7k relates to staff costs in respect of support staff which are included within note 9 below as appropriate.

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Education	-	492,149	492,149	480,727
Nursery	-	50,302	50,302	42,143
	<u>-</u>	<u>542,451</u>	<u>542,451</u>	<u>522,870</u>

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Income from other schools	-	-	-	200
Other income	<u>8,613</u>	<u>12,778</u>	<u>21,391</u>	<u>23,773</u>
	<u>8,613</u>	<u>12,778</u>	<u>21,391</u>	<u>23,973</u>

The comparatives include unrestricted funds of £23,773 and restricted funds of £200 giving a total of £23,973.

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Short term deposits	<u>56</u>	<u>-</u>	<u>56</u>	<u>452</u>

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

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

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	323,816	-	88,541	412,357	363,358
Allocated support costs	<u>37,795</u>	<u>67,693</u>	<u>85,908</u>	<u>191,396</u>	<u>189,545</u>
	<u>361,611</u>	<u>67,693</u>	<u>174,449</u>	<u>603,753</u>	<u>552,903</u>

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

	31.8.20 £	31.8.19 £
Auditors' remuneration	6,775	5,391
Auditors' remuneration for non audit work	290	500
Depreciation - owned assets	35,748	27,144
Operating lease	<u>748</u>	<u>1,641</u>

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

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Direct costs	8,573	403,784	412,357	363,358
Support costs	<u>4,540</u>	<u>186,856</u>	<u>191,396</u>	<u>189,545</u>
	<u>13,113</u>	<u>590,640</u>	<u>603,753</u>	<u>552,903</u>

	31.8.20 Total £	31.8.19 Total £
Analysis of support costs		
Support staff costs	37,795	33,160
Depreciation	21,229	12,624
Administration costs	4,302	7,066
Premises costs	67,693	51,672
Other support costs	53,312	79,132
Governance costs	<u>7,065</u>	<u>5,891</u>
Total support costs	<u>191,396</u>	<u>189,545</u>

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

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 Symonds (staff trustee):	Remuneration	£35,000 - £40,000	(2019: £30,000 - £35,000)
	Employers Pension Contributions	£5,000 - £10,000	(2019: £5,000 - £10,000)
E Clark (staff trustee):	Remuneration	£0	(2019: £25,000 - £30,000)
(Resigned 17.10.18)	Employers Pension Contributions	£0	(2019: £0 - £5,000)

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

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

9. STAFF COSTS

	31.8.20 £	31.8.19 £
Wages and salaries	289,886	276,586
Social security costs	16,061	14,156
Operating costs of defined benefit pension schemes	<u>55,664</u>	<u>42,466</u>
	361,611	333,208
Supply teacher costs	<u>-</u>	<u>4,990</u>
	<u>361,611</u>	<u>338,198</u>

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

	31.8.20	31.8.19
Teachers	4	5
Administration and support	14	16
Management	<u>2</u>	<u>2</u>
	<u>20</u>	<u>23</u>

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

Key Management Personnel

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £46,175 (2019: £31,646).

From 1 September 2018, Burghill entered a service level agreement with Stretton Sugwas C of E Academy, for the provision of executive head services provided by Mr A Davies, and the provision of finance services provided by Mrs R Lovell, both of which are included in the senior management team on page 1. During the year £35,000 (2019: £25,000) was paid in relation to this.

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

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 £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Fund £	Restricted Fixed Assets Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	5,503	29,221	32,989	67,713
Charitable activities				
Funding for the academy's educational operations	-	-	522,870	522,870
Other trading activities	23,773	-	200	23,973
Investment income	452	-	-	452
Total	29,728	29,221	556,059	615,008
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	45,888	507,015	552,903
Total	-	45,888	507,015	552,903
NET INCOME/(EXPENDITURE)	29,728	(16,667)	49,044	62,105
Transfers between funds	-	19,429	(19,429)	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	-	(47,000)	(47,000)
Net movement in funds	29,728	2,762	(17,385)	15,105
RECONCILIATION OF FUNDS				
Total funds brought forward	61,326	1,087,451	(136,859)	1,011,918
TOTAL FUNDS CARRIED FORWARD	91,054	1,090,213	(154,244)	1,027,023

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

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £
COST			
At 1 September 2019	1,005,000	168,024	8,553
Additions	-	109,433	-
At 31 August 2020	1,005,000	277,457	8,553
DEPRECIATION			
At 1 September 2019	93,127	5,236	8,553
Charge for year	14,520	9,688	-
At 31 August 2020	107,647	14,924	8,553
NET BOOK VALUE			
At 31 August 2020	897,353	262,533	-
At 31 August 2019	911,873	162,788	-
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2019	-	21,628	1,203,205
Additions	15,462	6,800	131,695
At 31 August 2020	15,462	28,428	1,334,900
DEPRECIATION			
At 1 September 2019	-	6,077	112,993
Charge for year	2,577	8,963	35,748
At 31 August 2020	2,577	15,040	148,741
NET BOOK VALUE			
At 31 August 2020	12,885	13,388	1,186,159
At 31 August 2019	-	15,551	1,090,212

Leasehold land and buildings are subject to a 125 year lease with the local authority and include £279,000 of non-depreciating land.

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

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Trade debtors	(524)	2,118
VAT	2,956	3,772
Prepayments	<u>24,966</u>	<u>15,536</u>
	<u>27,398</u>	<u>21,426</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Trade creditors	12,446	9,851
Social security and other taxes	10,677	-
Other creditors	4,076	4,076
Accruals and deferred income	<u>16,522</u>	<u>12,155</u>
	<u>43,721</u>	<u>26,082</u>

Deferred income

	£
Deferred income at 1 September 2019	10,325
Resources deferred in the year	8,742
Amounts released from previous years	<u>(10,325)</u>
Deferred income at 31 August 2020	<u>8,742</u>

At the balance sheet date for 2020 the Academy Trust was holding funds received in advance in relation to free school meals income, and pre-school income, (2019: free school meals income) relating to the future academic years.

15. LEASING AGREEMENTS

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

	31.8.20	31.8.19
	£	£
Within one year	415	748
Between one and five years	<u>934</u>	<u>1,349</u>
	<u>1,349</u>	<u>2,097</u>

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

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

				31.8.20
	Unrestricted Fund £	Restricted Fixed Assets Fund £	Restricted General Fund £	Total funds £
Fixed assets	-	1,186,159	-	1,186,159
Current assets	49,866	5,216	51,241	106,323
Current liabilities	-	(5,216)	(38,505)	(43,721)
Pension liability	-	-	(182,000)	(182,000)
	<u>49,866</u>	<u>1,186,159</u>	<u>(169,264)</u>	<u>1,066,761</u>

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

				31.8.19
	Unrestricted Fund £	Restricted Fixed Assets Fund £	Restricted General Fund £	Total funds £
Fixed assets	-	1,090,212	-	1,090,212
Current assets	92,552	4,077	38,264	134,893
Current liabilities	(1,498)	(4,076)	(20,508)	(26,082)
Pension liability	-	-	(172,000)	(172,000)
	<u>91,054</u>	<u>1,090,213</u>	<u>(154,244)</u>	<u>1,027,023</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 £	Transfers between funds £	At 31.8.20 £
Unrestricted funds				
General Fund	46,455	57	-	46,512
Muddy Boots Pre-school	44,599	-	(38,581)	6,018
Clubs	-	(4,501)	1,837	(2,664)
	91,054	(4,444)	(36,744)	49,866
Restricted funds				
General Annual Grant	17,756	13,977	(23,514)	8,219
Restricted Pension Fund	(172,000)	(10,000)	-	(182,000)
Conversion and depreciation	911,873	(14,520)	-	897,353
Other Restricted	-	71,437	(71,437)	-
Other DfE/ESFA Grants	-	4,517	-	4,517
DfE/ESFA Capital Grants	164,560	(9,134)	-	155,426
Other Fixed Asset Fund	13,780	(12,095)	131,695	133,380
	935,969	44,182	36,744	1,016,895
TOTAL FUNDS	1,027,023	39,738	-	1,066,761

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	57	-	-	57
Clubs	8,612	(13,113)	-	(4,501)
	8,669	(13,113)	-	(4,444)
Restricted funds				
General Annual Grant	416,881	(402,904)	-	13,977
Restricted Pension Fund	-	(16,000)	6,000	(10,000)
Conversion and depreciation	-	(14,520)	-	(14,520)
Other Restricted	135,309	(63,872)	-	71,437
Other DfE/ESFA Grants	71,552	(67,035)	-	4,517
DfE/ESFA Capital Grants	5,080	(14,214)	-	(9,134)
Other Fixed Asset Fund	-	(12,095)	-	(12,095)
	628,822	(590,640)	6,000	44,182
TOTAL FUNDS	637,491	(603,753)	6,000	39,738

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				
General Fund	45,889	566	-	46,455
Muddy Boots Pre-school	15,437	29,162	-	44,599
	61,326	29,728	-	91,054
Restricted funds				
General Annual Grant	(22,859)	45,044	(4,429)	17,756
Restricted Pension Fund	(114,000)	(58,000)	-	(172,000)
Conversion and depreciation	926,393	(14,520)	-	911,873
Other Restricted	-	15,000	(15,000)	-
DfE/ESFA Capital Grants	161,058	3,502	-	164,560
Other Fixed Asset Fund	-	(5,649)	19,429	13,780
	950,592	(14,623)	-	935,969
TOTAL FUNDS	<u>1,011,918</u>	<u>15,105</u>	<u>-</u>	<u>1,027,023</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				
General Fund	566	-	-	566
Muddy Boots Pre-school	29,162	-	-	29,162
	29,728	-	-	29,728
Restricted funds				
General Annual Grant	415,653	(370,609)	-	45,044
Restricted Pension Fund	-	(11,000)	(47,000)	(58,000)
Conversion and depreciation	-	(14,520)	-	(14,520)
Other Restricted	83,982	(68,982)	-	15,000
Other DfE/ESFA Grants	56,424	(56,424)	-	-
DfE/ESFA Capital Grants	29,221	(25,719)	-	3,502
Other Fixed Asset Fund	-	(5,649)	-	(5,649)
	585,280	(552,903)	(47,000)	(14,623)
TOTAL FUNDS	<u>615,008</u>	<u>(552,903)</u>	<u>(47,000)</u>	<u>15,105</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.

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

18. MOVEMENT IN FUNDS - continued

- Muddy Boots Pre-school fund : surplus income relating to the pre-school.
- Clubs fund : all income and expenses relating to after school clubs.

Transfers between funds relate to re-allocation of expenditure on fixed assets, transfer of furlough grant money relating to after school club wages and transfer of surplus income relating to running of the pre-school.

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 £6,095 were payable to the schemes at 31 August 2020 (2019: £nil) 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. 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 levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employers pension costs paid to TPS in the period amounted to £37,091 (2019: £23,845).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £18,881 (2019: £18,169), of which employer's contributions totalled £14,317 (2019: £14,121) and employees' contributions totalled £4,564 (2019: £4,048). The agreed contribution rates for future years are 13.6% for employers and between 5.5% and 12.5% for employees.

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 31 August 2020 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 of 13.6% of payroll plus lump sum deficit contributions of £4,000 per annum. The rate payable from 1 April 2023 will be further revised following the next valuation of the Pension Fund.

The current estimated recovery period is 15 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	(319,000)	(297,000)
Fair value of plan assets	<u>137,000</u>	<u>125,000</u>
	(182,000)	(172,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(182,000)</u>	<u>(172,000)</u>
Net liability	<u>(182,000)</u>	<u>(172,000)</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	31,000	26,000
Net interest from net defined benefit asset/liability	3,000	4,000
Past service cost	<u>-</u>	<u>-</u>
	<u>34,000</u>	<u>30,000</u>
Actual return on plan assets	<u>(7,000)</u>	<u>4,000</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	297,000	216,000
Current service cost	31,000	26,000
Contributions by scheme participants	5,000	4,000
Interest cost	5,000	7,000
Actuarial losses/(gains)	(15,000)	48,000
Benefits paid	<u>(4,000)</u>	<u>(4,000)</u>
	<u>319,000</u>	<u>297,000</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	125,000	102,000
Contributions by employer	18,000	19,000
Contributions by scheme participants	5,000	4,000
Expected return	2,000	3,000
Actuarial gains/(losses)	(9,000)	1,000
Benefits paid	<u>(4,000)</u>	<u>(4,000)</u>
	<u>137,000</u>	<u>125,000</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>6,000</u>	<u>(47,000)</u>
	<u>6,000</u>	<u>(47,000)</u>

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	91,000	88,000
Government Bonds	9,000	9,000
Bonds - Other	7,000	6,000
Cash/liquidity	6,000	4,000
Other	17,000	10,000
Property	<u>7,000</u>	<u>8,000</u>
	<u>137,000</u>	<u>125,000</u>

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31.8.20	31.8.19
Discount rate	1.80%	1.80%
Future salary increases	3.80%	3.60%
Future pension increases	2.40%	2.20%
Inflation assumption (CPI)	2.30%	2.10%

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	22.6	22.8
Females	25.0	25.8
Retiring in 20 years		
Males	24.2	25.1
Females	27.0	28.2

Sensitivity Analysis

	At 31 August 2020 £000's	At 31 August 2019 £000's
Central	182	172
Sensitivity 1 (discount rate +0.1%)	175	166
Sensitivity 2 (inflation +0.1%)	189	177
Sensitivity 3 (pay growth +0.1%)	182	172
Sensitivity 4 (1 year increase in life expectancy)	192	177

20. CONTINGENT LIABILITIES

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

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Stretton Sugwas C of E Academy- an academy which DA Davies (Executive Head Teacher) is a Governor (and Head Teacher) from 01.09.18

- During the year income of £342 (2019: £200) was received from Stretton Sugwas C of E Academy
- During the year expenditure of £44,719 (2019: £27,170) was paid to Stretton Sugwas C of E Academy
- The above income and expenditure related to recharges of services and expenditure all in the normal course of business
- At the year end there were no balances outstanding (2019: nil).
- In entering into the transactions the academy has complied with the requirements of the Academies Financial Handbook 2019
- The element above £2,500 has been provided 'at no more than cost'