

Registration number: 09119526 (England and Wales)

Townfield Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



Townfield Primary School

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Townfield Primary School

Reference and Administrative Details

Members

E Behan

D Bostock (appointed 24.3.20)

C Prosser (appointed 14.11.20)

P Natton (resigned 14.11.20)

J Taylor (resigned 6.11.20)

Governors and Trustees (Directors)

E Behan (resigned 27.9.20)

L Collins (resigned 10.2.21)

N Court

C L Hatton

M Loftus (appointed 1.1.20)

A Molyneux (resigned 9.11.20)

P Natton (resigned 14.11.20)

C Prosser

A Shillinglaw

J Taylor (resigned 6.11.20)

L Carroll (resigned 19.1.20)

K Griffiths (resigned 21.1.20)

J Roach (appointed 24.3.20 resigned 2.11.20)

Senior Leadership Team

M Loftus, Head from 1.1.20

A Durham, Acting Head to 31.12.19, Deputy Head from 1.1.20

C Kinnear, Assistant Head

M Hughes, Assistant Head

J Murphy, School Business Manager

Townfield Primary School

Reference and Administrative Details

Academy Name

Townfield Primary School

Principal and Registered office

Townfield Lane
Prenton
Wirral
CH34 2LH

Company Registration Number

09119526 (England and Wales)

Auditors

Beever and Struthers
Chartered Accountants
St George's House
215-219 Chester Road
Manchester
M15 4JE

Bankers

Lloyds TSB
Ariel House
2138 Coventry Rd
Sheldon
B26 3JW

Solicitors

Hill Dickinson
1 St Pauls Square
Liverpool
L3 9SJ

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of Townfield Primary School (the "Charitable Company") for the year from 1 September 2019 to 31 August 2020.

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

The Trust operates an academy for pupils aged 2-11 serving a catchment area in Prenton, North Wirral. It has a pupil capacity of 450 and a roll of 440 (555 including nursery of 115) in the Spring school census, January 2020.

Structure, Governance and Management

Constitution

Townfield Primary School ("The Academy") is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary Trustee documents of the Academy for the purposes of company law.

The trustees act as the trustees for the charitable activities of the Academy and are also the directors of the Charitable Company for the purposes of company law. Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

The meaning of "trustee", "director", "governor" and "member"

In this report there are frequent references to trustees. This is the same body of people as both the directors of the company and the governors of the academy; these words are used interchangeably. The trustees have a different status to the members of the academy trust.

Members' liability

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

Trustees' indemnities

The Academy has purchased indemnity insurance to protect trustees and officers from claims arising in connection with Academy business. The insurance provides cover of up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The procedure for the recruitment, appointment and election of trustees is set out in the company's articles of association. The Academy shall have up to 16 trustees appointed by the members, a minimum of two Parent trustees plus the Head Teacher (ex-officio).

Policies and procedures adopted for the induction and training of trustees

The Academy maintains an induction handbook for new trustees. The Academy also funds, via an external provider, training opportunities for trustees, including specific induction training.

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

Organisational structure

The Academy is governed by its Trustee Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of 3 levels: The Members, the Trustees which includes the Head, and the Senior Leadership Team.

The Trustee Body is responsible for setting general policies, adopting a school development plan and budget, monitoring the Academy's performance, making major policy decisions, appointing senior staff, and through its various committees, overseeing the general strategic operation of the Academy. Certain elements of these responsibilities are delegated to the following committees which make recommendations to the full Trustee Body:

Standards

Resources (Finances, Staffing and Buildings)

Audit and Risk

Pay

(The Audit and Risk committee was established in March 2020, the others from September 2020)

The Head is also the Accounting Officer and in addition to the responsibilities associated with this role has responsibility for the strategic direction of the Academy, the day-to-day management of the Academy and its curriculum delivery.

The Senior Leadership Team comprises the:

Head

Deputy Head and two Assistant Heads

School Business Manager

The Resources and Standards Committees of the Trustee Body, together with the Head and School Business Manager will ensure the effective allocation of resources to appropriate budget holders across the Academy. An annual budget is presented to the Trustee Body for approval and regular management accounts are reviewed monthly.

Arrangements for setting pay and remuneration of key management personnel

The salary of the Head is set by the Pay Committee and approved by the Trustee Body. For the remaining members of the senior leadership team, salaries are recommended to the Pay Committee by the Head and approved by the Trustee Body.

Trade union facility time

The Academy buys into a SLA with the Local Authority for Trade Union facility time.

Related parties and other connected charities and organisations

Trustee Caroline Prosser is a Legal Director at Hill Dickinson, who are the solicitors currently appointed on a retainer by the Academy Trust. Other than this there are no other connected charities or organisations.

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

Objectives and Activities

Objects and Aims

The Academy's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The core aim is to fulfil the potential of each child through the provision of education of the highest quality, characterised by the pursuit of excellence.

Objectives, Strategies and Activities

The aims of the Academy are to:

Inspire and support children to reach their full potential by providing opportunities to use our three-character traits of **respect, responsibility and resilience**.

A resilient individual, who tackles challenges positively and makes good progress by knowing more and learning more.

A respectful person who values other people's perspectives, beliefs and differences in culture, gender and sexuality.

A responsible citizen, able to live a safe and healthy life and also make a positive contribution to society.

The main objectives for the year were:

To develop the whole school curriculum to ensure high engagement with clear progression of skills and knowledge. That the curriculum is relevant to our pupils and promotes the development of the whole child. Our Curriculum is engaging with high expectations for all children. The whole school now enjoys 'Woodland' learning, Mastery Maths and a creative curriculum so that our children have many opportunities to find out about many different topics in a variety of ways. The new Curriculum provides added support for those pupils whose education has been significantly impacted by the pandemic. New resources enhance teaching and learning across the school.

To continue to work with the Education and Skills Funding Agency (ESFA) to improve financial systems, delegation of responsibilities and clear strategy. After the year end the ESFA issued a Financial Notice to Improve (FNTI) and the results of an investigation into aspects of school finances and governance. The School has taken note of these and undertaken significant changes in its processes.

The Covid-19 national pandemic significantly affected the school from March 2020. The school remained open for key workers and vulnerable pupils and students throughout the pandemic including throughout the Easter holidays and May half term. The school finances were significantly affected due to the loss of income streams including wrap around care, Nursery provision and school lunches. During this time the academic and pastoral care of pupils and students remained the highest priorities with an excellent remote curriculum provided alongside outstanding pastoral care including a regular system of welfare telephone calls and detailed frequent contact with the most vulnerable.

Public benefit

In setting objectives and planning activities, the trustee body has paid due regard to the published guidance from the Charity Commission on the operation of the public benefit requirement under the Charities Act 2011.

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

Strategic Report

Achievements and Performance

We will provide our children the skills they need to be successful in their future lives. We expect our pupils to be positive, independent learners, showing a growth mindset, and self-disciplined.

We encourage pupils to take the lead in their own learning, have the opportunities to work and play in many different groupings, think critically and creatively and develop a sense of pride in their own achievements.

The main activities of the Academy during the year ended 31st August 2020 are summarised below

To improve the attainment of more able pupils in Mathematics by introducing Mastery Maths.

To improve standards in Reading and Phonics for all pupils by reviewing curriculum planning and resources.

To improve our whole school curriculum by developing subject leadership. This new curriculum raises expectations in knowledge, skills and curriculum coverage.

EYFSP % of pupils attaining a good level of development

	School	National
2018	74	71.5
2019	75	71.8
2020	71 ESTIMATED*	NA

PHONICS- Year 1 % of pupils working at the required standard

	School	National
2018	90	82.5
2019	85	81.9
2020	82	NA

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

KEY STAGE 1

% of pupils achieving the expected/exceeding standard – ESTIMATED OUTCOMES*

	School (% Exp)		National (% Exp)		School (% High)		National (% High)	
	2018-19	2019-20	2018-19	2019-2020	2018-19	2019-20	2018-19	2019-20
RWM	67	67	65	NA	14	11	11	NA
Reading	79	77	75	NA	27	26	25	NA
Writing	71	70	69	NA	17	16	15	NA
Maths	76	77	76	NA	25	22	22	NA

KEY STAGE 2

% of pupils achieving the expected/exceeding standard – ESTIMATED OUTCOMES*

	School (% Exp)		National (% Exp)		School (% High)		National (% High)	
	2018-19	2019-20	2018-19	2019-2020	2018-19	2019-20	2018-19	2019-20
RWM	67	73	64.9	NA	7	19	64.9	NA
Reading	77	79	73	NA	28	31	73	NA
Writing	77	78	78.5	NA	25	25	78.5	NA
Maths	79	79	78.7	NA	21	26	78.7	NA

The school has a strong track record of ensuring that all pupils make good progress from their starting points, fulfil their potential and go on to secure outcomes that prepare them well for their next stage of their education. Data analysis shows that Pupil Premium and SEND children make good if not exceptional progress from their starting points.

The school equips children effectively not only in the measured outcomes in reading, writing and mathematics but also in wider outcomes that have a significant bearing on their future success in secondary education and beyond. Our high expectations are reflected in the number of children achieving ARE (continues to be above National).

Going concern

On the basis of its rolling 3 year financial plan prepared, the Trustee body believes that the Academy 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.

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

Financial Review

The Academy's total incoming resources during the period were £2,633k (2019: £2,772k).

The majority of the Academy's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £1,772k (2019: £1,800k) and further details are provided in Note 3 to the accounts.

Total outgoing resources for the period were £2,904k (2019: £3,020k), the majority of which related to the direct provision of educational operations. The excess of expenditure over income was £271k (2019: £248k), after depreciation and employer pension contributions.

At the period end the Academy's total reserves were £1,849k (2019: £2,156k), including no unrestricted funds and restricted funds of which restricted fixed asset funds are £4,407k (2019: £4,367k). The balances on general restricted funds relate to funding received in the period which is due to be spent in the following year in accordance with the terms of funding and other unspent balances of restricted income. Further detail is provided in Note 15.

At 31 August 2020 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Academy.

Condition Improvement Fund

During the previous financial year and continuing into this, the Academy received funding towards extending the school to provide additional places for early years children. In the two financial years £241k has been incurred mainly in professional fees. However, following a review by the ESFA the school has been asked to repay £71k of this amount and £29k of this current year's expenditure over the coming years. This is included in current liabilities. In addition the Academy has received £1,063k in funding for the project, this is included in deferred income.

Reserves policy

The Trustees review reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments, the uncertainty surrounding the levels of future funding and the nature of reserves. The Academy's current level of free reserves is zero. It is the trustees' aim to build a reserve to compensate for anticipated reductions in income for capital works and changes to the local and national funding formulas.

Restricted General Annual Grant (GAG) reserves

The Trustees have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Trustees believe that, under normal circumstances, the appropriate level of GAG reserve should be between 2% and 5% of GAG income and aim to keep the reserve within these parameters.

At 31 August 2020 the GAG reserves were at a surplus position of £71k (2019: surplus of £42k). The Trustees will seek to increase this reserve in future years.

Unrestricted reserves

The Academy may hold unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the trustees' policy to aim to hold approximately 3 months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve. At 31 August 2020 the level of unrestricted reserves held was zero (2019: £98k).

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

Investment policy

All investments are agreed by the Trustee Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The Academy does not currently hold any investments other than cash, which is held for its normal operations. The Trustee Body has adopted a low risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always sufficient cash to meet short and medium term requirements.

In the longer term, as reserves build up, the Academy will seek to maximise its return by investing surplus cash in time deposits with banks approved by the Trustee Body.

Principal risks and uncertainties

The Academy has identified the following principal risks related to its financial and operating status.

Pupil numbers. The Academy has two 'bulge' years with some uncertainty over increasing the PAN. There is uncertainty whether school will move from 2 form entry to 3 form entry. This may impact on the Academy's budget.

Financial Notice to Improve (FNTI): as already mentioned this was issued after the year end and the school is working through the requirements therein.

Funding from the Local Authority. The income of the Academy is dependent not solely on pupil recruitment but also on the Education and Skills Funding Agency (ESFA) national funding for both mainstream funding and SEND funding. This risk is subject to the timing of payments made by the LA. However, the risk is managed through good communication with the ESFA in the understanding of future funding such that forward plans can be formulated, subject to the inherent uncertainties. In addition to this SEND funding, the Academy is in consultation of a commissioned document which will clearly state any financial arrangements made with the LA and the Academy.

Due to the pandemic, income from parents has been reduced as they are not accessing additional services including wrap around care and school lunches.

Teaching and learning. In order to continue as a successful provider of academic education, high standards of teaching and learning must be delivered. The Academy is focusing on maintaining and enhancing its high standards by implementing a clear School Priority Plan.

Fundraising

The school does not undertake significant fundraising activities.

Plans for future periods

The Academy will continue to uphold its reputation as an institution delivering the highest standards of education to the local and wider community.

The Trustee Body will be reviewing its strategy including assumptions, efficiencies, pressures and deployment of resources in the context of changes of government or government policy.

The Academy will implement all necessary action plans, monitored by the Trustee Body, to ensure that further improvements are made to continue the School's journey of improvement.

With agreement from the RSC, the Academy is looking to a voluntary transfer to a Multi Academy Trust within the coming months. By doing this, the Academy will increase its capacity to improve at a more rapid pace.

Townfield Primary School

Trustees' Report for the Year Ended 31 August 2020

Funds held as Custodian Trustee on Behalf of Others

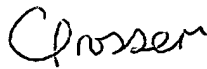
There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far as the trustees are aware:

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

Trustees' Report, incorporating a strategic report, approved by order of the members of the Trustee Body, being the Trustee body and Company Directors on 12 February 2021 and signed on the board's behalf by:



C Prosser
Chair

Townfield Primary School

Governance Statement

Scope of Responsibility

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

The Trustee body has delegated the day-to-day responsibility to the Head 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 Townfield Primary School and the Secretary of State for Education. She is also responsible for reporting to the Trustee body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustee body has formally met five times during the year. Despite not meeting six times during the year, effective oversight was maintained throughout, with continued discussion between the Chair and the Head Teacher. Attendance during the year at meetings of the Trustee body was as follows:

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
E Behan	5	5
J Taylor	1	5
P Natton	4	5
C Prosser	2	5
A Shillinglaw	4	5
C Hatton	3	5
N Court	5	5
L Collins	2	2
K Griffiths	2	2

The Risk and Audit Committee is also a sub-committee of the main Trustee body. Its purpose is to ensure that the Academy has an effective internal control system in place. The particular issues dealt with during the year were reviews of policies and governor skills. This met once in the financial year.

Townfield Primary School

Governance Statement

Review of Value for Money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Trustee body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year through the undertaking of good procurement procedures, including tender processes and quotations and the reviewing of service contracts. Other specific measures include the following:

- undertook a staffing restructure
- review of school services and provision to ensure value for money
- the replacement of some external courses for the provision of staff training with in-house courses for the whole staff, thereby both reducing costs and ensuring greater participation
- the upskilling of individual staff to improve succession planning
- take part and implement recommendations of an external SRMA review

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Townfield Primary School 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 Trustee body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustee body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the 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 Trustee body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustee body;
- regular reviews by the finance, HR and site 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 Trustee body has considered the need for a specific internal audit function and has decided to appoint an external firm of accountants as internal auditors.

Townfield Primary School

Statement on Regularity, Propriety and Compliance

Governance Statement

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included the testing of key financial controls in the areas of:

- Bank
- Petty cash
- School fund income
- Local Authority, Government Grants and other income
- Purchases
- Payroll

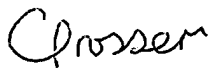
Review of Effectiveness

As Accounting Officer, the Head 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 Trustee body
- the work of the external auditor
- the work of the internal auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of the review of the systems of internal control by the audit and risk committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trustee body on 12 February 2021 and signed on its behalf by:



C Prosser

Chair



M Loftus

Accounting Officer

Townfield Primary School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Townfield Primary School I have considered my responsibility to notify the Academy Trust Trustee Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

I confirm that the following 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 Trustee Body and ESFA.

Matter 1

The trust must manage its cash position robustly. During the year there were instances where bank reconciliations were not completed in a timely manner.

Matter 2

The trust must prepare management accounts every month setting out its financial performance and position and these must be shared with the chair of trustees every month. During the year there were instances where the management accounts were not prepared and shared with the chair of trustees.

Matter 3

Trusts must obtain ESFA approval prior to taking up a finance lease on any class of asset for any duration from another party. During the prior financial period the Trust signed a lease for a franking machine. Given that at the inception of the lease the present value of the minimum lease payments amounted to substantially all of the fair value of the leased asset, it was judged to be a finance lease. ESFA approval was not obtained. The lease expires in September 2021



M Loftus
12 February 2021

Townfield Primary School

Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Townfield Primary School) and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

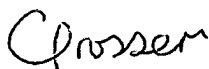
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the Board on 12 February 2021 and signed on its behalf by:



C Prosser
Chair

Townfield Primary School

Independent Auditor's Report on the Financial Statements to the Members of Townfield Primary School

Opinion

We have audited the financial statements of Townfield Primary School (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities including Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Townfield Primary School

Independent Auditor's Report on the Financial Statements to the Members of Townfield Primary School (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Townfield Primary School

Independent Auditor's Report on the Financial Statements to the Members of Townfield Primary School (continued)

Use of our report

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

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House
215-219 Chester Rd
Manchester
M15 4JE

23 February 2021

Townfield Primary School

Independent Reporting Accountant's Report on Regularity to Townfield Primary School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15 December 2020 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 Townfield Primary School 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 Townfield Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Townfield Primary School 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 Townfield Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review that the activities are in keeping with the Academy Trust's framework and charitable objectives; and
- Testing undertaken on a sample basis to review whether the Academy Trust's expenditure is in accordance with the Funding Agreement; and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2019 to 2020.

Townfield Primary School

Independent Reporting Accountant's Report on Regularity to Townfield Primary School and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 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.

Matter 1

The trust must manage its cash position robustly. During the year there were instances where bank reconciliations were not completed in a timely manner.

Matter 2

The trust must prepare management accounts every month setting out its financial performance and position and these must be shared with the chair of trustees every month. During the year there were instances where the management accounts were not prepared and shared with the chair of trustees.

Matter 3

Trusts must obtain ESFA approval prior to taking up a finance lease on any class of asset for any duration from another party. During the prior financial period the Trust signed a lease for a franking machine. Given that at the inception of the lease the present value of the minimum lease payments amounted to substantially all of the fair value of the leased asset, it was judged to be a finance lease. ESFA approval was not obtained. The lease expires in September 2021.

Sue Hutchinson FCCA

For and on behalf of Beever and Struthers, Chartered Accountants

Beever and Struthers

St George's House
215-219 Chester Rd
Manchester
M15 4JE

23 February 2021

Townfield Primary School

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

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	2	-	-	52	52	154
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	2,581	-	2,581	2,598
Other trading activities	4	-	-	-	-	20
Investments	5	-	-	-	-	-
Total			2,581	52	2,633	2,772
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	6,7	-	(2,821)	(83)	(2,904)	(3,020)
Net income/(expenditure) before transfers			(240)	(31)	(271)	(248)
Gross transfer between funds	14	(98)	27	71	-	-
Net income/(expenditure)		(98)	(213)	40	(271)	(248)
Other recognised losses						
Actuarial losses on defined benefit pension schemes	14, 23	-	(36)	-	(36)	(804)
Net movement in funds	14	(98)	(249)	40	(307)	(1,052)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019	14,15	98	(2,309)	4,367	2,156	3,208
Total funds/(deficit) carried forward at 31 August 2020	14,15	-	(2,558)	4,407	1,849	2,156

All of the academy trust's activities derive from continuing activities during the current and prior financial year.

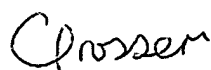
The comparative statement of Financial Activities can be found in note 25 to the financial statements

Townfield Primary School

(Registration number: 9119526 (England and Wales)) Balance Sheet as at 31 August 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	11	4,349	4,309
Current assets			
Debtors	12	83	60
Cash at bank and in hand		1,379	762
		<u>1,462</u>	<u>822</u>
Creditors: Amounts falling due within one year	13	<u>(1,333)</u>	<u>(592)</u>
Net current assets		<u>129</u>	<u>230</u>
Total assets less current liabilities		<u>4,478</u>	<u>4,539</u>
Net assets excluding pension liability		4,478	4,539
Pension scheme liability	23	<u>(2,629)</u>	<u>(2,383)</u>
Net assets including pension liability		<u>1,849</u>	<u>2,156</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	14	71	74
Restricted fixed asset fund	14	4,407	4,367
Restricted pension fund	14	<u>(2,629)</u>	<u>(2,383)</u>
		<u>1,849</u>	<u>2,058</u>
Unrestricted funds			
Unrestricted general fund	14	-	98
Total funds		<u>1,849</u>	<u>2,156</u>

The financial statements on pages 21 to 44 were approved by the Trustees, and authorised for issue on 12th February 2021 and signed on their behalf by:



C Prosser
Chair

Townfield Primary School

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided in operating activities	18	688	368
Cash flows from financing activities	19	-	-
Cash flows used in investing activities	20	<u>(71)</u>	<u>33</u>
Increase in cash and cash equivalents in the year		617	401
Cash and cash equivalents at 1 September 2019		<u>762</u>	<u>361</u>
Cash and cash equivalents at 31 August 2020	21	<u>1,379</u>	<u>762</u>

All of the cash flows are derived from continuing operations in the current and prior financial period.

Townfield Primary School

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

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

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

Townfield Primary School meets the definition of a public benefit entity under FRS 102.

Going concern

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

The deficit on the Local Government Pension Scheme of £2,629,000 (2019: £2,383,000) will be financed through ongoing contributions at the rates agreed with the Scheme Actuary and these are made from the General Annual Grant (GAG) and are included in the financial forecasts.

Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received the income is accrued.

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance 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.

Townfield Primary School

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

1 Accounting policies (continued)

Donations

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

Other income

Other income, including catering income, school fund etc, parental contributions for early years is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

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.

Expenditure on raising funds

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

Charitable activities

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

Townfield Primary School

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

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Long leasehold land	Over life of the lease (125 years)
Assets in the course of construction	Not charged until brought into use
Long leasehold buildings and improvements	15 to 50 years (see below)
ICT Equipment	33% straight line
Fixtures, Fittings and Equipment	10% straight line
Motor Vehicles	10% straight line

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

Liabilities

Liabilities are recognised when there is an obligation at the 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.

Townfield Primary School

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

1 Accounting policies (continued)

Leased assets

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

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.

Pension 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 the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 note 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13 and 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 instrument.

Townfield Primary School

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

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical Areas of Judgement

The trustees have established that there are no areas of judgement which are deemed to be critical to the Academy Trust's financial statements, except for the following:

Long Leasehold buildings

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. The useful economic life assigned to the school building structure is 50 years from the date the asset was transferred into the Trust. The buildings are currently approximately 45 and 55 years old respectively. The useful life was considered by the Trustees at the conversion date and as part of the implementation of component accounting in the previous financial year. The Trustees recognise the need to revisit this assessment regularly.

Townfield Primary School

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

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	-	52	52	154

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
DfE/ESFA revenue grants				
General annual grant (GAG)	-	1,615	1,615	1,697
Other DfE/ESFA grants	-	173	173	103
	-	1,772	1,772	1,800
Other government grants				
Local Authority Grants	-	515	515	341
Other Government Grants	-	107	107	134
Coronavirus Job Retention Scheme	-	30	30	-
	-	652	652	475
Non-government grants and other income				
Parental contributions	-	128	128	323
Other income	-	13	13	-
	-	141	141	323
Total grants	-	2,581	2,581	2,598

4 Other trading activities

	Unrestricted funds £000	Total 2020 £000	Total 2019 £000
Miscellaneous income	-	-	20

Townfield Primary School

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

5 Investment income

	Unrestricted funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	-	-	-

6 Expenditure

	Non Pay Expenditure			Total 2020 £000	Total 2019 £000
	Staff costs £000	Premises £000	Other costs £000		
Academy's educational operations:					
Direct costs	1,804	-	195	1,789	1,477
Allocated support costs	531	262	122	905	1,543
	2,335	362	317	2,904	3,020

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating leases	13	6
Depreciation	83	84
Fees payable to the auditor for:		
- Audit – current year	12	14
- Audit – prior year	4	-
- Other services	3	8

Townfield Primary School

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

7 Charitable activities

			Total 2020 £000	Total 2019 £000
Direct costs – educational operations			1,999	1,477
Support costs - educational operations			905	1,543
			<u>2,904</u>	<u>3,020</u>

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Direct costs				
Teaching and educational support staff costs	-	1,804	1,804	1,252
Other costs	-	195	195	225
	<u>-</u>	<u>1,999</u>	<u>1,999</u>	<u>1,477</u>
Support costs				
Support staff costs	-	531	531	751
Depreciation	-	83	83	84
Premises costs	-	179	179	134
Other support costs	-	87	87	482
Governance costs	-	25	25	92
	<u>-</u>	<u>905</u>	<u>905</u>	<u>1,543</u>
Total direct and support costs	<u>-</u>	<u>2,904</u>	<u>2,904</u>	<u>3,020</u>

Townfield Primary School

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

8 Staff

Staff costs

	2020 £000	2019 £000
Staff costs during the year were:		
Wages and salaries	1,612	1,570
Social security costs	126	114
Operating costs of defined benefit pension schemes	535	254
	<u>2,273</u>	<u>1,938</u>
Supply staff costs	35	106
Staff restructuring costs	27	39
	<u>2,335</u>	<u>2,083</u>

Non – statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £Nil (2019: £39k).

Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2020 No	2019 No
Charitable Activities		
Teachers	18	19
Administration and support	62	63
Management	5	4
	<u>85</u>	<u>86</u>

Higher paid staff

The number of employees whose annualised emoluments exceeded £60,000 was:

	2020 No	2019 No
£50,001 - £60,000	1	-
£60,001 - £70,000	-	1

Townfield Primary School

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

8 Staff (continued)

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) received by key management personnel for their services to the Academy Trust was £370k (2019: £372k).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head and staff members under their contracts of employment, and not in respect of their role as trustees.

The Head has been paid remuneration or has received other benefits from an employment with the academy trust. The Head only receives remuneration in respect of services they provide undertaking the role of head under their contract of employment, and not in respect of their role as trustee. The value of the trustees' remuneration and Other benefits was as follows:

M Loftus (Head);

Remuneration £50,001 - £55,000 (2019: Nil)

Employer's pension contributions £5,001 - £10,000 (2019: Nil)

D Stitcher (Head)

Remuneration £Nil (2019: £50,001 - £60,000)

Employer's pension contributions £Nil (2019: £0,001 - £5,000)

L Carroll (Staff Governor)

Remuneration £Nil (2019: £20,001 - £25,000)

Employer's pension contributions £Nil (2019: £0,001 - £5,000)

K Griffiths (Staff Governor)

Remuneration £Nil (2019: £10,001 - £15,000)

Employer's pension contributions £Nil (2019: £0,001 - £5,000)

During the year ended 31 August 2020, £nil of travel and subsistence expenses were reimbursed or paid directly to two trustees (2019: £Nil).

Other related party transactions involving the trustees are set out in note 25.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost, and the individual premium is not separately identifiable for this year or last.

Townfield Primary School

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

11. Tangible fixed assets

	Long Leasehold Land and Buildings	Assets in the course of cons- truction	Fixtures, Fittings and ICT Equipment	Motor Vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2019	4,389	118	286	2	4795
Additions	-	123			123
Disposals				(2)	(2)
At 31 August 2020	4,389	241	286	-	4,916
Depreciation					
At 1 September 2019	276	-	208	2	486
Disposals	-	-	-	(2)	(2)
Charged in year	68	-	15	-	83
At 31 August 2020	344	-	223	-	567
Net book values					
At 31 August 2019	4,113	118	78	-	4,309
At 31 August 2020	4,045	241	63	-	4,349

12 Debtors

	2020 £000	2019 £000
Trade debtors	36	-
VAT recoverable	23	34
Other debtors	-	-
Prepayments and accrued income	24	26
	83	60

13 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	20	58
Other taxation and social security	29	30
Other creditors	131	30
Deferred income	1,101	431
Accruals	52	43
	1,333	592

Townfield Primary School

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

14 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	42	1,615	(1,645)	59	71
Other DfE/ESFA grants	-	108	(108)	-	-
Other restricted income	32	858	(858)	(32)	-
Pension reserve	(2,383)	-	(210)	(36)	(2,629)
	<u>(2,309)</u>	<u>2,581</u>	<u>(2,821)</u>	<u>(9)</u>	<u>(2,558)</u>
Restricted fixed asset funds					
On transfer from conversion	3,845	-	(35)	-	3,810
DfE/ESFA capital grants	304	-	(47)	-	257
CIF funding	118	52	-	-	170
Capital expenditure from GAG	100	-	(1)	-	99
	<u>4,367</u>	<u>52</u>	<u>(83)</u>	<u>-</u>	<u>4,336</u>
Total restricted funds	2,058	2,633	(2,904)	(9)	1,849
Unrestricted funds - general	98	-	-	(98)	-
Unrestricted assets under construction	-			71	71
Total funds	2,156	2,633	(2,904)	(36)	1,849

Townfield Primary School

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

14 Funds (continued)

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	103	1,697	(1,758)	-	42
Other Dfe/ESFA grants		103	(103)	-	-
Other restricted income	32	784	(784)	-	32
Pension reserve	(1,325)	-	(254)	(804)	(2,383)
	(1,190)	2,584	(2,899)	(804)	(2,309)
Restricted fixed asset funds					
On transfer from conversion	3,881	-	(36)	-	3,845
Dfe/ESFA capital grants	315	36	(47)	-	304
CIF funding	-	118	-	-	118
Capital expenditure from GAG	101	-	(1)	-	100
	4,297	154	(84)	-	4,367
Total restricted funds	3,107	2,738	(2,983)	(804)	2,058
Unrestricted funds	101	34	(37)	-	98
Total funds	3,208	2,772	(3,020)	(804)	2,156

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

General Annual Grant must be used for the normal running expenses of the school.

Pupil premium funding is spent on enhancing the education of eligible pupils in accordance with the conditions.

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

Townfield Primary School

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

15 Analysis of net assets between funds 2020

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	71	-	4,278	4,349
Current assets	-	83	-	83
Cash at bank and in hand	-	1,321	58	1,379
Current liabilities	-	(1,333)	-	(1,333)
Pension scheme liability	-	(2,629)	-	(2,629)
Total net assets	71	(2,558)	4,336	1,849

Analysis of net assets between funds 2019

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	4,309	4,309
Current assets	-	60	-	60
Cash at bank and in hand	-	704	58	762
Current liabilities	-	(592)	-	(592)
Pension scheme liability	-	(2,383)	-	(2,383)
Total net assets	-	(2,211)	4,367	2,156

Townfield Primary School

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

16 Capital commitments

	2020 £	2019 £
Contracted for, but not provided for in the financial statements	-	-

17 Financial commitments

Operating leases

At 31 August 2020 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Other		
< 1 year	13	6
2 – 5 years	34	15
Expiring in over 5 years	-	-
	<u>47</u>	<u>21</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2020 £000	2019 £000
Net income/(expenditure)	(271)	(248)
Depreciation (note 11)	83	84
Capital grants from DfE (note 2)	(52)	(154)
Interest receivable (note 5)	-	-
Defined benefit pension scheme cost less contributions payable	164	214
Defined benefit pension scheme finance cost	46	40
Defined benefit pension scheme cost administrative expenses	-	-
Defined benefit pension scheme past service cost	-	-
Decrease/(increase) in debtors	(23)	(22)
(Decrease)/increase in creditors	<u>741</u>	<u>454</u>
Net cash provided by Operating Activities	<u>688</u>	<u>368</u>

19 Cash flows from financing activities

	2020 £	2019 £
Interest received	-	-
Net cash inflow provided by financing activities	<u>-</u>	<u>-</u>

20 Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets	(123)	(121)
Capital grants from DfE/ESFA	<u>52</u>	<u>154</u>
Net cash used in investing activities	<u>(71)</u>	<u>33</u>

Townfield Primary School

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

21 Analysis of cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash at bank and in hand	1,379	762
Total cash and cash equivalents	1,379	762

22. Members liability

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

23 Pensions 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 Merseyside Pension Fund. 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 £39k (2019: £30k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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.

Townfield Primary School

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

23 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £168k (2019: £111k).

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

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

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 £197k (2019: £152k), of which employer's contributions totalled £150k (2019: £106k) and employees' contributions totalled £47k (2019: £46k). The agreed contribution rates for future years are 17.8% per cent for employers and 5.5% - 12.5% per cent for employees.

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

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion to an academy trust and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents the cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Townfield Primary School

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

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.80%	3.50%
Rate of increase for pensions in payment/inflation	2.40%	2.10%
Discount rate for scheme liabilities	1.80%	1.80%
Inflation assumption (CPI)	2.30%	2.00%

Sensitivity Analysis	Central	Sensitivity 1 +0.1% p.a. discount rate	Sensitivity 2 +0.1% p.a. inflation	Sensitivity 3 +0.1% p.a. pay growth	Sensitivity 4 1 year increase in life expectancy
	£000	£000	£000	£000	£000
Liabilities	4,055	3,944	4,168	4,070	4,170
Assets	(1,426)	(1,426)	(1,426)	(1,426)	(1,426)
Deficit	2,629	2,518	2,742	2,644	2,744
Projected service cost for next year	312	303	321	312	322
Projected interest cost for next year	46	46	48	46	48

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	20.9	22.2
Females	24.0	25.0
<i>Retiring in 20 years</i>		
Males	22.5	25.2
Females	25.9	27.9

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	694	504
Government and other Bonds	233	154
Property	128	88
Cash/liquidity	77	31
Other	294	206
Total market value of assets	1,426	983

The actual return on scheme assets was £(6k) (2019: £41,000).

Townfield Primary School

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

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020	2019
	£000	£000
Current service cost (net of employer contributions)	(164)	(236)
Net interest cost (return)	(42)	(36)
Administrative expenses	(4)	(4)
Past service cost	-	(118)
Total operating charge	(210)	(394)

The actuarial loss of £36k for the current year is recognised in the statement of financial activities (2019: £804k).

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

	2020	2019
	£000	£000
At 1 September 2019	3,366	2,085
Current service cost	314	236
Interest cost	61	61
Employee contributions	47	46
Losses/(gains) on assumptions	267	820
Past service cost	-	118
At 31 August 2020	4,055	3,366

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

	2020	2019
	£000	£000
At 1 September 2019	983	760
Expected return on assets	-	-
Actuarial (loss)/gain	231	16
Administrative expenses	(4)	(4)
Employer contributions	150	140
Employee contributions	47	46
Interest income	19	25
At 31 August 2020	1,426	983

Townfield Primary School

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

24 Related party transactions

The Trust did not undertake any related party transactions as defined by the Charities Statement of Recommended Practice, the Academies Financial Handbook 2019 or the Academies Accounts Direction. The Academy Trust discloses the following transactions on a voluntary basis in the interests of transparency:

Mrs C Prosser is an employee of the school's solicitors, Hill Dickinson. During the year the school was invoiced fees amounting to £11,195 (2019: £73,074) of which £Nil (2019: £8,018) was outstanding at the year end.

25 Post Balance Sheet Events

The Trustees approved the move to join the Rainbow MAT on Friday 12th February 2020 at a full Trustees Meeting. Provisional agreement for the move has been made by the RSC following the process for due diligence.

Townfield Primary School

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

26 Prior year Statement of Financial Activities

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000
Income and endowments from:					
Donations and capital grants	2	-	-	154	154
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	14	2,584	-	2,598
Other trading activities	4	20	-	-	20
Investments	5	-	-	-	-
Total		34	2,584	154	2,772
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	6,7	(37)	(2,899)	(84)	(3,020)
Net income/(expenditure) before transfers		(3)	(315)	70	(248)
Gross transfer between funds	14	-	-	-	-
Net income/(expenditure)		(3)	(315)	70	(248)
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	14,23	-	(804)	-	(804)
Net movement in funds	14	(3)	(1,119)	70	(1,052)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018					
As previously stated	14,15	101	(1,190)	4,430	3,341
Prior year adjustment		-	-	(133)	(133)
Total funds/(deficit) carried forward at 31 August 2019	14,15	101	(2,309)	4,367	2,156