

**Company Registration Number: 10377400** (England & Wales)

**ALVECHURCH C OF E MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**



**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	B Maybee K Jordan R Crowte H Bates R Thorniley (appointed 1 September 2020) M Kenkre (appointed 1 September 2020)
<b>Directors</b>	P Griffiths (resigned 31 August 2020) <sup>1,2</sup> E James (resigned 31 August 2020) M Kenkre (resigned 31 August 2020) L Notley, Chair of Finance & Personnel Committee <sup>1,2</sup> G Onyon, Chair, Chair of Standards & Achievement Committee <sup>1,2</sup> D Snell, Headteacher (resigned 31 August 2020) <sup>1,2</sup> L Wilde <sup>1</sup> J Wright <sup>2</sup> R Hickin, Vice Chair (appointed 1 September 2020) <sup>2</sup> A Wallis (appointed 1 September 2020) <sup>2</sup> S Lambert (appointed 1 September 2020) <sup>1</sup> A Thurgood (appointed 1 September 2020) <sup>2</sup> L Tomlinson (appointed 1 September 2020) <sup>1</sup>  <sup>1</sup> Finance & Personnel Committee <sup>2</sup> Standards & Achievement Committee
<b>Company registered number</b>	10377400
<b>Company name</b>	Alvechurch C of E Multi-Academy Trust
<b>Principal and registered office</b>	Birmingham Road Alvechurch Worcester B48 7TA
<b>Company secretary</b>	J Griffin
<b>Accounting Officer</b>	D Snell
<b>Senior management team</b>	David Snell, Headteacher Vanessa Rancins, Deputy Headteacher Peter Hipkiss, Assistant Headteacher Sharon Sweeney, Assistant Headteacher (SENCo)
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a Directors' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 9 to 13 in Alvechurch, Worcestershire. It has a pupil capacity of 440 and had a roll of 437 in the school census on 31 October 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy was incorporated on 15 September 2016 and opened as an Academy on 1 April 2017 and 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.

The Directors of Alvechurch C of E Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Alvechurch C of E Middle School.

Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

**Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

Percentage of time	Numbers of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
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Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Directors' Indemnities**

Directors benefit from indemnity insurance purchased at the academy's expense to cover the liability of the Directors 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors 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 Directors in their capacity as Directors of the academy. The limit of this indemnity is £10,000,000.

**DIRECTORS**

**Method of Recruitment and Appointment or Election of Directors**

The Academy Trust shall have the following Directors as set out in its Articles of Association and funding agreement:

- up to 5 Directors who are appointed by members.
- up to 2 Directors who are appointed by the Diocese of Worcester
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Directors are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

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

**Policies and Procedures Adopted for the Induction and Training of Directors**

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

The Board of Directors normally meets once each term. The Directors and Board of Directors have devolved responsibility for day to day management of the Academy to the Local Governing Body (LGB). The LGB is responsible for day to day operations and management of the school's budget.

The LGB establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows:

- Finance, Audit and Personnel Committee - this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the peer reviewer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Curriculum and Achievement Committee - this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The following decisions are reserved to the Board of Directors: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Directors, to approve the Annual Development Plan and budget.

The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, and two Assistant Headteachers. The SLT controls the Academy at an executive level, implementing the policies laid down by the Directors and reporting back to them. The Headteacher, Academy School Business Manager and Finance, Personnel and Curriculum and Achievement Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Governing Body delegates all decisions relating to the pay for members of the Senior Leadership Team to the Finance, Audit and Personnel sub-committee. The Terms of Reference for those committees are detailed in the Pay Policy which states that they must undertake an annual pay review for all staff and reach decisions through the application of any relevant criteria measured by the Academy's performance appraisal process. The Academy follows national pay scales and progression policy linked to performance management, in line with the pay policy.

The Academy's teaching staff (including management) are members of the Teachers' Pension (TP) scheme and support staff are automatically opted in to the Local Government Pension Scheme (LGPS). Rates of contribution from members and the Academy are calculated by TP and LGPS and reviewed on an annual basis.

**Connected Organisations, including Related Party Relationships**

There are no related parties or sponsors which control Alvechurch C of E Middle School, however there is a separate parent teacher association, Alvechurch C of E Middle School PTA (charity no: 506314), which may from time to time contribute to the operations of the school.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

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

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra-curricular activities;
- to develop students as more effective learners;
- to develop the Academy site 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 Academy's capacity to manage change; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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**DIRECTORS' REPORT (CONTINUED)  
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**Objectives, Strategies and Activities**

This academic year, key priorities are contained in our School Recovery Plan which is available from the School Office. This replaces the normal School Development Plan and is in place as a response to the COVID restrictions and lockdown schools have faced. Improvement focuses identified for this year (2020/21) include:

**Recovery Principle**

Creating a safe environment for all

Mental health and well-being

Re-engaging learners, their parents and staff

Identifying gaps and setting goals

Prioritising the curriculum

**Objective**

Staff, pupils and parents are safe and feel safe in the school environment.

Staff are well informed about the potential impact that lockdown has had on the mental health of all members of the school community.

Staff and pupils are ready to return to school.

Good relationships with parents are established.

A key and consistent approach to the key message of value and sense of place and purpose in the learning environment is established.

The pupils are able to achieve well through the year.

The curriculum is designed to inspire enjoyment and engagement and enable all pupils to reach their full potential.

Further detail as to the specific actions to achieve each objective are available as part of the School Recovery Plan which is available on the school website or via the School Office.

**Public Benefit**

The Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy is in its fourth year of operation and has exceeded the forecast number of students. The total number of students in the year ended 31 August 2020 was 437. The Academy is over PAN in two year groups and has a waiting list in operation for both of those year groups. The Academy is heavily oversubscribed for entry into year 5. There were 173 applicants for the 110 places available in year 5.

Due to the global COVID pandemic the normal assessments which measure school performance were not undertaken as pupils were not in school. This included the normal end of Key Stage 2 national assessments. It is not, therefore, possible to present statistics which would normally have been included here.

The school was, however, subject to a Section 8 inspection and was judged to still be good. The main findings of the report were that:

*The school's curriculum is broad, stimulating and extends well beyond the classroom. Pupils have many opportunities to develop their sporting and musical talents. For example, during the inspection several pupils took part in the Young Voices festival. Pupils learn how to take responsibility and to lead.*

*The school fulfils its ambition to make sure that its pupils have the attitudes and the range of knowledge to be 'high-school ready'. Leaders and governors are determined that this is an inclusive school that welcomes all.*

*The school provides well for pupils with special educational needs and/or disabilities. Pastoral care is exceptionally strong. Staff treat the pupils as individuals. They have taken the initiative in talking with pupils about their mental health and emotional well-being.*

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**DIRECTORS' REPORT (CONTINUED)  
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*Bullying is very rare; pupils feel safe and really enjoy school. They are articulate, look smart, and behave very well in the classroom and the playground. Leaders have high expectations for staff and pupils alike. They know what works well, and where learning can be strengthened further.*

*Leaders make most effective use of the Bromsgrove Middle School Partnership to extend their own thinking and to provide training for staff.*

The full report is available from the school on request.

Outside of examination successes there were the following achievements to take note of:

- We once again successfully entered numerous pupils into Arts Award assessments. The quality of provision has been recognised by the Assessors who are using the school as a case study for excellence
- We continue to be a leading-edge school for Mental Health provision and a project to train pupil well-being ambassadors has won a regional award

To ensure that standards are continually assessed, the Academy operates a programme of monitoring which includes learning walks, observations, book trawls and pupil voice. These are undertaken by the Department Heads and the Senior Leadership Team.

The Academy has established close links with other Middle Schools in the Bromsgrove area. The five schools are embarking on mutual staff development, joint CPD, with the primary aim of driving up standards across the town. This has been formalised into the Bromsgrove Middle School Learning Partnership with its dedicated development plan.

**Key Performance Indicators**

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019/20 were 437, an increase of 10 over 2018/19. It is anticipated that the school will be at broadly similar numbers in 2020/21.

The following KPI's monitored for the period to 31/08/20:

<b>KPI</b>	<b>Result</b>
Pupil to teacher ratio	19.9
Teaching to non-teaching staff ratio	19.9 : 12.9
Student attendance %	96
Total GAG per pupil	£4,694
Staffing Costs as % of GAG	75

**Going Concern**

After making appropriate enquiries, the Board of Directors has a reasonable expectation 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 (note 1.2).

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the ESFA 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 (note 18).



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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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During the period ended 31 August 2020, the Academy received total income of £2,456k and incurred total expenditure of £2,414k. The Academy generated an in-year surplus on free reserves of £5k. The COVID-19 pandemic has fortunately not had a substantial impact on the Academy as there was only income loss from the fairly minimal trading activities that occur. Whilst there was necessary expenditure on PPE and other costs relating to COVID, costs were also saved in other areas such as educational supplies and exam fees due to the lockdown in the spring.

The Academy has a NBV of tangible fixed assets at 31 August 2020 of £9k and The movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy. The land, buildings and other assets are held by the PFI Company and used under agreement. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has a provision relating to the Local Government Pension Scheme of £1,153k. The Academy has a deficit on the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 25 to the financial statements.

The return to an in-year surplus follows two previous years of overspend leading to a deficit on free reserves which led to the Directors approving an updated plan which successfully addressed the following key areas:

**Regularity and accuracy of reporting**

- Ensured accuracy of information going into finance system and that finance staff are appropriately trained
- Held monthly finance oversight meetings to analyse reports (these reduced in frequency post COVID lockdown)
- Reported monthly to the Board of Directors with updated information regarding the financial position and cash flow position of the academy.

**Reduce staffing costs**

- Replaced staff leaving school with cheaper new teachers
- Ensured any replacement appointments are on main scale
- Used internal supply to minimise agency costs for staff absence (though this was still above budget to high absence rates for staff)

**Reduce non staffing costs**

- Limited all non-essential training to reduce supply costs and training budget
- Provided in house catering for before and after school care

**Increase income**

- Increased before/after school charges
- Negotiated PFI funding to bring in line with increased charges
- Market school effectively to increase pupil numbers in Key Stage 3

The budget forecast for 2020-21 forecasts a further surplus of over £80k to add to free reserves.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Alvechurch C of E Middle School's current site was built and is maintained through a PFI arrangement with Worcester County Council. Further details are contained in the accounting policies.

**Reserves Policy**

The Directors 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.

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Directors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have determined that the appropriate level of free reserves should be approximately 1 month of operating expenditure, currently c£197k, although this will take a number of years to achieve. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

Directors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and School Business Manager within strict guidelines approved by the Board of Directors.

**Principal Risks And Uncertainties**

The Board of Directors has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Financial - the Academy needs to continue its improvement in financial regularity and reporting that has moved it to a surplus position this financial year.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

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

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - the Academy has a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Directors and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Directors examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Directors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

The Board of Directors recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 21 to the financial statements, represents a significant potential liability. However, as the Directors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

The Academy is aiming to continue to improve its financial health by adding further surplus funds by the end of this financial year.

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

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our School Recovery Plan, which is available on our website or from the Clerk to the Directors.

**FUNDS HELD AS CUSTODIAN DIRECTOR ON BEHALF OF OTHERS**

The Academy and its Directors do not act as the Custodian Directors of any other Charity.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**AUDITORS**

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Directors 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.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors and signed on its behalf by:



**G Onyon**  
Chair of Directors

Date: 12.11.20

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

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

The board of Directors has delegated the day-to-day responsibility to the 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 Alvechurch C of E Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE**

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The board of Directors has formally met 4 times during the year. Effective oversight of funds is achieved through the more regular meetings of the Finance and Audit committee and also the monthly meetings of the Finance Oversight Committee which was set in conjunction with the recovery plan to ensure robust monitoring. Those committees both report back to the Full Board after each meeting. With the onset of COVID restrictions meetings were held virtually and combined into one so Finance and Audit became an agenda item on the Full Board meetings.

Attendance during the year at meetings of the board of Directors was as follows:

Director	Meetings attended	Out of a possible
G Onyon	4	4
R Hickin	2	3
L Notley	4	4
J Wright	4	4
P Griffiths	1	1
A Wallis	4	4
L Wilde	4	4
S Lambert	1	4
D Snell	4	4

There has been one change in the composition of the Board of Trustees in the period ended 31 August 2020 with the resignation of Mr Peter Griffiths who was replaced by Mr Richard Hickin. The Board oversees the work of the Local Governing Body with a sharp focus on the following key priorities:

- Continual review of challenging budget leading to staffing adjustments in order to ensure the school continues to remain viable and is able to deliver front end services to all students
- External support and reviews across all subjects conducted by Partner Middle School Headteachers have provided key areas of priority for 2020/21
- Reviewed key statutory policies to ensure Alvechurch C of E Middle School remains compliant with requirements for having up to date and relevant policies in school
- Reviewed curriculum offer and adjusted timetable to provide a broad and balanced curriculum across the school
- Focused developments at Key Stage 3 on ensuring pupils are 'High School' ready by the end of year 8
- Focused developments at Key Stage 2 on raising attainment in core subjects in end of Key Stage assessments whilst maintaining broad and balanced curriculum

The Board receives information from the Headteacher via the Headteacher's report at all Full Governing Body meetings. This includes analysis of pupil progress data, a review of School Self Evaluation and a review of the School Development Plan. The SDP is scrutinised by two Governors each term and they report to the full governing body.

Trustees have all completed a self evaluation of skills matrix which will inform areas for development for 2020/21.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

There is a Local Governing Body (LGB) in place to support the work of Directors. Attendance during the year at meetings was as follows:

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
G Onyon	4	4
D Snell	4	4
T Wallis	4	4
P Griffiths	1	1
L Notley	4	4
J Wright	4	4
L Wilde	4	4
S Lambert	1	4
A Thurgood	1	4
R Hickin	3	4
L Tomlinson	4	4

The Finance and Audit Committee is a sub-committee of the LGB. Its purpose is to set the annual budget, monitor performance against that budget, monitor adherence with ESFA submissions, deal with SDP issues relevant to finance and report to main Trustees board.

SDP issues relevant to finance and report to main Trustees board. The committee was scheduled to meet 6 times over the year but the onset of COVID led to some meetings being combined with Full Board (these are included in the following figures).

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
G Onyon	0	6
J Wright	6	6
D Snell	6	6
L Wilde	6	6
L Tomlinson	6	6
L Notley	6	6
S Lambert	3	6
P Griffiths	1	1
G Onyon	6	6

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve, and go beyond, nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**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 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 Alvechurch C of E Middle School for the period from 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 Directors 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 Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 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 Directors.

**THE RISK AND CONTROL FRAMEWORK**

The Academy'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 board of Directors
- 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
- Identification and management of risks

The board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Fiona Anderson, the Financial Director of



**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)**

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**THE RISK AND CONTROL FRAMEWORK (CONTINUED)**

South Bromsgrove High School, to perform a peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Testing of purchase systems
- Testing of control account/bank account reconciliations

On an annual basis, the reviewer reports to the board of Directors through the finance and audit committee on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

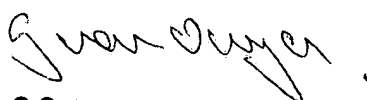
**REVIEW OF EFFECTIVENESS**

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 auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy 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 audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors and signed on their behalf by:



**G Onyon**  
Chair of Trustees

Date: 12/11/20



**David Snell**  
Accounting Officer

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Alvechurch C of E Multi-Academy Trust I have considered my responsibility to notify the Academy board of Directors and the Education & 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 Trust Board of Directors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's Trust 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 Directors and ESFA.



**D Snell**  
Accounting Officer

Date: 12/11/20

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies 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 Directors to prepare financial statements for each financial . Under company law, the Directors 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 Directors are required to:

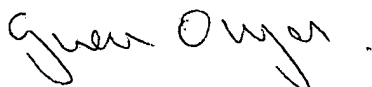
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable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

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

The Directors 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 Directors and signed on its behalf by:



**G Onyon**  
Chair of Directors

Date: 12.11.20

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ALVECHURCH C OF E MULTI-ACADEMY TRUST**

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**OPINION**

We have audited the financial statements of Alvechurch C of E Multi-Academy Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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, the Charities SORP 2019 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 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 United Kingdom, including the Financial Reporting Council'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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ALVECHURCH C OF E MULTI-ACADEMY TRUST (CONTINUED)**

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**OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Directors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic 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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ALVECHURCH C OF E MULTI-ACADEMY TRUST (CONTINUED)**

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**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the Academy 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 Directors 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 Directors 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 Directors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Wood FCCA (Senior statutory auditor)**

for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date: 13th November 2020

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
ALVECHURCH C OF E MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 9 September 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 Alvechurch C of E Multi-Academy Trust during the year 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 Alvechurch C of E Multi-Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alvechurch C of E Multi-Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alvechurch C of E Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ALVECHURCH C OF E MULTI-ACADEMY TRUST'S  
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Alvechurch C of E Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2017 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 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
ALVECHURCH C OF E MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.



Andrew Wood FCCA (Reporting Accountant)  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors

Date: 13th November 2020



**ALVECHURCH C OF E MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>INCOME FROM:</b>						
Donations and capital grants	4	-	10,008	-	10,008	30,013
Charitable activities	5	92,233	2,290,675	-	2,382,908	2,215,960
Other trading activities	6	62,944	13	-	62,957	86,150
Investments	7	78	-	-	78	67
<b>TOTAL INCOME</b>		<b>155,255</b>	<b>2,300,696</b>	<b>-</b>	<b>2,455,951</b>	<b>2,332,190</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	8	98,555	2,302,743	12,483	2,413,781	2,412,101
<b>TOTAL EXPENDITURE</b>		<b>98,555</b>	<b>2,302,743</b>	<b>12,483</b>	<b>2,413,781</b>	<b>2,412,101</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>56,700</b>	<b>(2,047)</b>	<b>(12,483)</b>	<b>42,170</b>	<b>(79,911)</b>
Transfers between funds	18	(51,597)	51,597	-	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>5,103</b>	<b>49,550</b>	<b>(12,483)</b>	<b>42,170</b>	<b>(79,911)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(297,000)	-	(297,000)	(194,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>5,103</b>	<b>(247,450)</b>	<b>(12,483)</b>	<b>(254,830)</b>	<b>(273,911)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		-	(905,550)	21,147	(884,403)	(610,492)
Net movement in funds		5,103	(247,450)	(12,483)	(254,830)	(273,911)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>5,103</b>	<b>(1,153,000)</b>	<b>8,664</b>	<b>(1,139,233)</b>	<b>(884,403)</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 48 form part of these financial statements.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:10377400**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	14	8,664	21,147
<b>CURRENT ASSETS</b>			
Debtors	15	380,683	367,897
Cash at bank and in hand		241,626	158,500
		<u>622,309</u>	<u>526,397</u>
Creditors: amounts falling due within one year	16	(617,206)	(631,947)
<b>NET CURRENT ASSETS / LIABILITIES</b>		<u>5,103</u>	<u>(105,550)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>13,767</u>	<u>(84,403)</u>
<b>NET ASSETS / LIABILITIES EXCLUDING PENSION LIABILITY</b>		<u>13,767</u>	<u>(84,403)</u>
Defined benefit pension scheme liability	25	(1,153,000)	(800,000)
<b>TOTAL NET ASSETS</b>		<u><u>(1,139,233)</u></u>	<u><u>(884,403)</u></u>
<b>FUNDS OF THE ACADEMY</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	8,664	21,147
Restricted income funds	18	-	(105,550)
		<u>8,664</u>	<u>(84,403)</u>
Restricted funds excluding pension asset	18	8,664	(84,403)
Pension reserve	18	(1,153,000)	(800,000)
		<u>(1,144,336)</u>	<u>(884,403)</u>
<b>Total restricted funds</b>	18	(1,144,336)	(884,403)
<b>Unrestricted income funds</b>	18	5,103	-
<b>TOTAL FUNDS</b>		<u><u>(1,139,233)</u></u>	<u><u>(884,403)</u></u>

The financial statements on pages 23 to 48 were approved and authorised for issue by the Directors and are signed on their behalf, by:

*Gwen Onyon*

**G Onyon**

Chair of Directors

Date: 12.11.20

The notes on pages 26 to 48 form part of these financial statements.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by/(used in) operating activities	20	133,040	(968)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	22	10,086	30,080
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	21	(60,000)	60,000
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		83,126	89,112
Cash and cash equivalents at the beginning of the year		158,500	69,388
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	23, 24	<u>241,626</u>	<u>158,500</u>

The notes on pages 26 to 48 form part of these financial statements

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. GENERAL INFORMATION**

Alvechurch C of E Multi-Academy Trust is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Birmingham Road, Alvechurch, Worcester, B48 7TA.

**2. 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.

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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.

Alvechurch C of E Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

**2.2 GOING CONCERN**

The Directors assess whether the use of the going concern assumption 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 to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

At 31 August 2020, the Academy has a surplus on free reserves of £5,103. Further surpluses are also anticipated in the forthcoming years.

The Trustees are satisfied that the academy will have 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.

**ALVECHURCH C OF E MULTI-ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 INCOME**

All incoming resources are recognised when the Academy 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 year 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.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

**2.4 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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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**2. ACCOUNTING POLICIES (continued)**

**2.6 TANGIBLE FIXED ASSETS**

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

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

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

Depreciation is provided on the following bases:

Furniture and equipment	- 20% - 33% straight line
Computer equipment	- 25% 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.

**2.7 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.9 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 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.

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**2. ACCOUNTING POLICIES (continued)**

**2.10 FINANCIAL INSTRUMENTS**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

**2.11 PENSIONS**

Retirement benefits to employees of the Academy 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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy 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.

**2.12 FUND ACCOUNTING**

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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**2. ACCOUNTING POLICIES (continued)**

**2.13 ACCOUNTING UNDER THE PFI ARRANGEMENT**

Land and buildings are used for the provision of education by Alvechurch C of E Middle School under an agreement with Worcester County Council, in connection with a PFI agreement entered into by Worcester County Council. The related land and buildings are not recognised as assets of the Academy. This is because the Trustees assess that the Academy does not have the risks and rewards associated with ownership whilst this agreement is in place. Payments made in connection with this agreement are considered to be periodic operating rental charges. The agreement between Alvechurch C of E Middle School and Worcester County Council is such that amounts payable during the remainder of the agreement are subject to formulae dependent on factors outside the Academy's control and therefore it is not possible to state the cash flow commitments within this agreement.

**3. 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 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 25, 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 Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

The academy obtained other fixed assets on conversion, which have been accounted for at their effective net book value as at the conversion date. The recognition of such assets requires the Academy to estimate the useful economic life associated with each asset in order to be able to derive the net book value.

The Academy has made a judgement as to the accounting for the agreement relating to a PFI contract with further details outlined in the accounting policy 2.13.



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**4. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Capital Grants	10,008	10,008	30,013
TOTAL 2019	30,013	30,013	

**5. FUNDING FOR THE ACADEMY'S EDUCATION**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	2,051,201	2,051,201	2,007,248
Other DfE/EFSA grants	-	199,054	199,054	68,477
	-	2,250,255	2,250,255	2,075,725
<b>Other Government grants</b>				
High Needs	-	32,920	32,920	23,449
Other government grants	-	7,500	7,500	12,592
	-	40,420	40,420	36,041
<b>Other funding</b>				
Trip income	92,233	-	92,233	104,194
	92,233	2,290,675	2,382,908	2,215,960
TOTAL 2019	104,194	2,111,766	2,215,960	

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**6. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	1,250	13	1,263	2,406
Fees received	48,216	-	48,216	61,073
Other	13,478	-	13,478	22,671
	<u>62,944</u>	<u>13</u>	<u>62,957</u>	<u>86,150</u>
TOTAL 2019	<u>84,487</u>	<u>1,663</u>	<u>86,150</u>	

**7. INVESTMENT INCOME**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	<u>78</u>	<u>78</u>	<u>67</u>

Total investment income gained in the prior year in respect of bank interest was £67. This was the only element of investment income in the year ended 31 August 2019. All funds received were unrestricted.

**8. EXPENDITURE**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
EDUCATION:					
Direct costs	1,336,830	354,083	240,179	1,931,092	1,959,130
Support costs	243,649	223,305	15,735	482,689	452,971
	<u>1,580,479</u>	<u>577,388</u>	<u>255,914</u>	<u>2,413,781</u>	<u>2,412,101</u>
TOTAL 2019	<u>1,566,589</u>	<u>568,210</u>	<u>277,302</u>	<u>2,412,101</u>	

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**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Direct costs 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Education	1,931,092	482,689	2,413,781	2,412,101
<b>TOTAL 2019</b>	<b>1,959,130</b>	<b>452,971</b>	<b>2,412,101</b>	

**Analysis of direct costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	1,294,008	1,301,733
Educational supplies	15,960	29,577
Staff development	960	4,666
Other costs	90,951	105,502
Supply teachers	42,360	13,763
Technology costs	27,147	31,721
PFI Charges	444,399	459,551
Educational consultancy	15,307	12,617
	<b>1,931,092</b>	<b>1,959,130</b>

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**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	16,000	16,000
Staff costs	243,649	251,093
Depreciation	12,483	16,006
Staff development	-	150
Other costs	13,940	4,831
Maintenance of premises and equipment	70	3,577
Cleaning	1,263	-
Rent and rates	15,833	14,531
Energy costs	388	299
Insurance	1,286	-
Security and transport	1,508	1,185
Catering	2,836	8,130
Technology costs	22,811	10,246
Office overheads	28,537	29,751
Legal and professional	11,468	13,325
Bank interest and charges	114	101
PFI Charges	103,086	74,246
Educational consultancy	7,417	9,500
	<u>482,689</u>	<u>452,971</u>

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	547,978	517,336
Depreciation of tangible fixed assets	12,483	16,006
Fees paid to auditors for:		
- audit	9,275	9,000
- other services	1,890	3,065
	<u>569,626</u>	<u>545,407</u>

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**11. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,115,952	1,203,772
Social security costs	98,722	93,267
Pension costs	322,983	255,787
	<u>1,537,657</u>	<u>1,552,826</u>
Agency staff costs	42,822	13,763
	<u>1,580,479</u>	<u>1,566,589</u>

**b. STAFF NUMBERS**

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

	2020 No.	2019 No.
Teachers	22	23
Administration and support	6	7
Management	4	4
Educational Support	24	26
	<u>56</u>	<u>60</u>

**c. HIGHER PAID STAFF**

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

	2020 No.	2019 No.
In the band £70,001 - £80,000	1	1

**d. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy comprise the Directors 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 was £273,483 (2019 £252,227).

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**12. DIRECTORS' REMUNERATION AND EXPENSES**

The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their service as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows: Mr D Snell: remuneration £70,001 - £80,000 (2019: £70,001 - £80,000), employer's pension contributions £10,001 - £15,000 (2019: £10,001 - £15,000).

During the year ended 31 August 2020, no Director expenses have been incurred (2019 - £275).

**13. DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. The level of cover provided in respect of professional indemnity is unlimited.

**14. TANGIBLE FIXED ASSETS**

	<b>Furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>			
At 1 September 2019	16,392	48,711	65,103
At 31 August 2020	16,392	48,711	65,103
<b>DEPRECIATION</b>			
At 1 September 2019	2,724	41,232	43,956
Charge for the year	5,004	7,479	12,483
At 31 August 2020	7,728	48,711	56,439
<b>NET BOOK VALUE</b>			
At 31 August 2020	8,664	-	8,664
At 31 August 2019	13,668	7,479	21,147

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**15. DEBTORS**

	2020 £	2019 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	3,697	5,190
Prepayments and accrued income	376,316	362,175
Tax recoverable	670	532
	<u>380,683</u>	<u>367,897</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Other loans	-	60,000
Trade creditors	531,043	510,555
Other taxation and social security	23,641	25,950
Other creditors	27,764	25,942
Accruals and deferred income	34,758	9,500
	<u>617,206</u>	<u>631,947</u>

Included within creditors due within one year in the prior year was a loan from the ESFA totalling £60,000. The full value of the loan has been repaid during the year.

	2020 £	2019 £
Deferred income at 1 September 2019	-	-
Resources deferred during the year	26,841	-
Amounts released from previous periods	-	-
	<u>26,841</u>	<u>-</u>

Included in deferred income is funds held in advance of trips.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. FINANCIAL INSTRUMENTS**

	2020 £	2019 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	<b>241,626</b>	158,500

Financial assets measured at fair value through income and expenditure comprises cash at bank.



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**18. STATEMENT OF FUNDS**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>UNRESTRICTED FUNDS</b>						
General Funds - all funds	-	155,255	(98,555)	(51,597)	-	5,103
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	(105,550)	2,051,201	(1,997,248)	51,597	-	-
Pupil Premium (PP)	-	65,122	(65,122)	-	-	-
Other ESFA Grants	-	143,940	(143,940)	-	-	-
High Needs funding	-	32,920	(32,920)	-	-	-
Other Local Authority Grants	-	7,500	(7,500)	-	-	-
Other income	-	13	(13)	-	-	-
Pension reserve	(800,000)	-	(56,000)	-	(297,000)	(1,153,000)
	<u>(905,550)</u>	<u>2,300,696</u>	<u>(2,302,743)</u>	<u>51,597</u>	<u>(297,000)</u>	<u>(1,153,000)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	21,147	-	(12,483)	-	-	8,664
<b>TOTAL RESTRICTED FUNDS</b>	<u>(884,403)</u>	<u>2,300,696</u>	<u>(2,315,226)</u>	<u>51,597</u>	<u>(297,000)</u>	<u>(1,144,336)</u>
<b>TOTAL FUNDS</b>	<u>(884,403)</u>	<u>2,455,951</u>	<u>(2,413,781)</u>	<u>-</u>	<u>(297,000)</u>	<u>(1,139,233)</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS (CONTINUED)**

**RESTRICTED FUNDS:**

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium (PP) - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other ESFA - Income which has been received for specific purposes from the ESFA.

High Needs funding - Funding received by the Local Authority to fund further support for students with additional needs.

Other Local Authority grants - Income which has been received for specific purposes from the Local Authority.

Other income - Income which has been received from various sources through means not specified above.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

**RESTRICTED FIXED ASSET FUNDS:**

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

**TRANSFERS:**

Transfers between funds are in relation to restricted expenditure being supported by unrestricted income.

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**18. STATEMENT OF FUNDS (CONTINUED)**

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>					
General Funds	-	188,748	(188,748)	-	-
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	(89,645)	2,021,965	(2,037,870)	-	(105,550)
Pupil Premium (PP)	-	56,201	(56,201)	-	-
Other ESFA Grants	-	27,572	(27,572)	-	-
High Needs funding	-	23,449	(23,449)	-	-
Other Local Authority Grants	-	12,592	(12,592)	-	-
Other income	-	1,663	(1,663)	-	-
Pension reserve	(558,000)	-	(48,000)	(194,000)	(800,000)
	<u>(647,645)</u>	<u>2,143,442</u>	<u>(2,207,347)</u>	<u>(194,000)</u>	<u>(905,550)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Fixed assets transferred on conversion	37,153	-	(16,006)	-	21,147
<b>TOTAL RESTRICTED FUNDS</b>	<u>(610,492)</u>	<u>2,143,442</u>	<u>(2,223,353)</u>	<u>(194,000)</u>	<u>(884,403)</u>
<b>TOTAL FUNDS</b>	<u><u>(610,492)</u></u>	<u><u>2,332,190</u></u>	<u><u>(2,412,101)</u></u>	<u><u>(194,000)</u></u>	<u><u>(884,403)</u></u>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	8,664	8,664
Current assets	5,103	617,206	-	622,309
Creditors due within one year	-	(617,206)	-	(617,206)
Provisions for liabilities and charges	-	(1,153,000)	-	(1,153,000)
<b>TOTAL</b>	<b>5,103</b>	<b>(1,153,000)</b>	<b>8,664</b>	<b>(1,139,233)</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD**

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	21,147	21,147
Current assets	526,397	-	526,397
Creditors due within one year	(631,947)	-	(631,947)
Provisions for liabilities and charges	(800,000)	-	(800,000)
<b>TOTAL</b>	<b>(905,550)</b>	<b>21,147</b>	<b>(884,403)</b>

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**20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	42,170	(79,911)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	12,483	16,006
Capital grants from DfE and other capital income	(10,008)	(30,013)
Interest receivable	(78)	(67)
Defined benefit pension scheme cost less contributions payable	40,000	19,000
Defined benefit pension scheme finance cost	16,000	16,000
Defined benefit pension scheme past service cost	-	13,000
Increase in debtors	(12,786)	(1,758)
Increase in creditors	45,259	46,775
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>133,040</b>	<b>(968)</b>

**21. CASH FLOWS FROM FINANCING ACTIVITIES**

	2020 £	2019 £
Cash inflows from new borrowing	-	60,000
Repayments of borrowing	(60,000)	-
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(60,000)</b>	<b>60,000</b>

**22. CASH FLOWS FROM INVESTING ACTIVITIES**

	2020 £	2019 £
Interest receivable	78	67
Capital grants from DfE and other capital income	10,008	30,013
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>10,086</b>	<b>30,080</b>

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**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash in hand	241,626	158,500
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>241,626</b>	<b>158,500</b>

**24. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	158,500	83,126	241,626
Debt due within 1 year	(60,000)	60,000	-
	<b>98,500</b>	<b>143,126</b>	<b>241,626</b>

**25. PENSION COMMITMENTS**

The Academy'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 £27,764 were payable to the schemes at 31 August 2020 (2019 - £25,942) and are included within creditors.

**TEACHERS' PENSION SCHEME**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

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**25. PENSION COMMITMENTS (CONTINUED)**

**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 year amounted to £181,206 (2019 - £134,282).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 £99,000 (2019 - £96,000), of which employer's contributions totalled £80,000 (2019 - £76,000) and employees' contributions totalled £ 19,000 (2019 - £20,000). The agreed contribution rates for future years are 17 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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**25. PENSION COMMITMENTS (CONTINUED)**

**Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment / inflation	2.4	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.1

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.6	22.8
Females	25	25.8
<i>Retiring in 20 years</i>		
Males	24.2	25.1
Females	27	28.2

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1% pa	1,117	778
Mortality assumption - 1 year increase	1,197	819
CPI Rate +0.1% pa	1,189	823
Pay growth +0.1% pa	1,157	803

The Academy's share of the assets in the scheme was:

	2020 £	2019 £
Equities	281,000	207,000
Government bonds	29,000	22,000
Property	23,000	17,000
Cash and other liquid assets	18,000	8,000
Other bonds	23,000	15,000
Other	54,000	22,000
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>428,000</b>	<b>291,000</b>



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**25. PENSION COMMITMENTS (CONTINUED)**

The actual return on scheme assets was £6,000 (2019 - £9,000).

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

	2020 £	2019 £
Current service cost	(120,000)	(95,000)
Interest income	5,000	16,000
Interest cost	(21,000)	(13,000)
Administrative expenses	-	(1,000)
<b>TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(136,000)</b>	<b>(93,000)</b>

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

	2020 £	2019 £
<b>AT 1 SEPTEMBER 2019</b>	<b>1,091,000</b>	<b>685,000</b>
Current service cost	120,000	95,000
Interest cost	21,000	21,000
Employee contributions	19,000	20,000
Actuarial losses/(gains)	321,000	197,000
Benefits paid	9,000	60,000
Past service costs	-	13,000
<b>AT 31 AUGUST 2020</b>	<b>1,581,000</b>	<b>1,091,000</b>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
<b>AT 1 SEPTEMBER 2019</b>	<b>291,000</b>	<b>127,000</b>
Interest income	6,000	6,000
Actuarial losses	24,000	3,000
Employer contributions	80,000	76,000
Employee contributions	19,000	20,000
Benefits paid	9,000	60,000
Administrative expenses	(1,000)	(1,000)
<b>AT 31 AUGUST 2020</b>	<b>428,000</b>	<b>291,000</b>

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**26. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	553,161	543,925
Later than 1 year and not later than 5 years	2,212,644	2,173,740
Later than 5 years	7,191,093	7,608,090
	<u>9,956,898</u>	<u>10,325,755</u>

**27. MEMBERS' LIABILITY**

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

**28. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than the certain director's remuneration already disclosed in Note 12.

Owing to the nature of the Academy and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.