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**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



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**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mr S Haydon (resigned 31 August 2020) Mr A Ganatra (resigned 31 August 2020) Mr A George (appointed 1 September 2020) Dr R Bell (appointed 1 September 2020) Mr R McVeigh (appointed 1 September 2020)
<b>Governors</b>	Mrs S Hounslow, Head Teacher (resigned 31 August 2020) Mrs L Matthews, Staff Governor Mr A Ganatra, Parent Governor (resigned 31 August 2020) Mr M Whall, Parent Governor (resigned 31 August 2020) Mr P Fisher, Parent Governor (resigned 31 August 2020) Mr S Haydon, Community Governor (resigned 31 August 2020) Mrs C Wendeler, Chair of Governors Dr R Bell, Community Governor Mr G Baker, Associate Governor Mr A George, Parent Governor (appointed 1 September 2020) Ms A Loveday, Community Governor (appointed 1 September 2020) Mrs L Mercer, Head Teacher (appointed 1 September 2020) Mr K O'Kane, Parent Governor (appointed 1 September 2020)
<b>Company registered number</b>	07556185
<b>Company name</b>	Eaton Bray Academy
<b>Principal and registered office</b>	School Lane Eaton Bray Bedfordshire LU6 2DT
<b>Senior management team</b>	Mrs S Hounslow, Head Teacher (until 31/08/2020) Mrs L Matthews, Deputy Head Teacher Ms J Lyons, Assistant Head Teacher Mrs V Gray, Assistant Head Teacher Mrs L Mercer, Head Teacher (from 01/09/2020)
<b>Independent auditors</b>	Streets Audit LLP Potton House Wyboston Lakes Great North Road Wyboston Bedfordshire MK44 3BZ
<b>Bankers</b>	HSBC Bank Plc 48 High Street Leighton Buzzard Bedfordshire LU6 1EE

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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<b>Solicitors</b>	Schofield Sweeney Springfield House 76 Wellington Street Leeds LS1 2AY
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**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The trust operates as an Academy for pupils aged 4 to 11 and for pre-school children serving a catchment area of Eaton Bray and surrounding villages. It has a pupil capacity of 210 in the Main School and 45 in Pre-School. The Academy had a roll of 152 in the Main School at the end of the summer term, with 29 children attending Pre-School (total 181).

**Structure, governance and management**

**a. Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Governors of Eaton Bray Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Eaton Bray Academy.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Governor's indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

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

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**Structure, governance and management (continued)**

**d. Method of recruitment and appointment or election of Governors**

Trust Board Members, who are the directors of the charitable company for the purpose of company law, are nominated by either the Secretary of State for Education, the Chairman of the Governors, or by all the existing members. The Articles of Association require the trust board members to appoint a minimum of 3 and a maximum of 8 governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Articles of Association contain provisions for the appointment of additional governors including staff governors, a local authority governor and parent governors. There is no maximum number of governors.

Governors are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term.

The governing body currently comprises 3 trust board members (who are appointed as directors under Companies Act 2006), 2 associate governors (whose appointments are determined by the trust board members), the head teacher, 2 staff governors (all employed by the Academy), and 2 parent governors (elected by the parents).

Associate governors are not governors but are appointed by the Governing Body to bring expertise and experience in specific areas to committees. Associate governors can attend full Governing Body meetings.

The head teacher is an ex-officio governor.

**e. Policies adopted for the induction and training of Governors**

New governors receive induction training and support from the Clerk to the Governing Body. All governors are offered training opportunities through the Central Bedfordshire Governor Training Programme.

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

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**Structure, governance and management (continued)**

**f. Organisational structure**

The Governing Body roles and responsibilities are reviewed annually at the first meeting of the year.

The governors are organised into a number of committees who form policy to be agreed at main governing body meetings. The bodies comprise Estates, Personnel, Finance, School Improvement and the Independent Appeals Panel.

The governors are responsible for setting general policy, adopting an annual plan and budget and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Finance Committee is responsible for monitoring the Academy's financial performance by the use of budgets and maintains and regularly reviews the Finance Manual which details the financial processes to be followed within the Academy.

The external auditor to the Academy has been appointed to perform additional checks on the Academy's financial systems. The auditor makes regular reports to the Finance Committee who in turn report to the Governing Body.

All governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their duties.

The Governing Body approves the Statutory Accounts. Levels of authorisation of budget spend are detailed in the Academy Finance Manual.

The day-to-day management of the academy is delegated by the Governing Body to the head teacher who is the Accounting Officer. The head teacher is supported by the Finance Committee.

**g. Arrangements for setting pay and remuneration of key management personnel**

The Governing Body considers the Trust Board Members, the Head Teacher and the Deputy Head Teacher as comprising the key management personnel of the Academy in charge of directing and controlling the Academy and running and operating the Academy on a day to day basis. All Board Members give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 11 to the accounts.

The Head teacher's pay is reviewed annually and normally increased in accordance with average earnings and taking into consideration achievement against any specific performance measurement goals. In view of the nature of the charity, its economy of operations, and the extensive use of professional advisers to the trust board, the trustees consider that a multiple of up to three times the median average salary for UK employees is appropriate for this role. The remuneration is also bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

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

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**Structure, governance and management (continued)**

**h. Trade union facility time**

The Governing Body is aware of the Trade Union (Facility Time Publication Requirements) Regulations 2017 detailing the requirement for academy trusts that have more than 49 full time equivalent employees throughout any seven months within the reporting period, to include information included in Schedule 2 of the Regulations in their report.

Eaton Bray Academy had fewer than 49 full time equivalent employees throughout the period under review and therefore this information has not been included.

**Objectives and activities**

**Principal Activities**

Eaton Bray Academy is a non-selective school that provides education for pupils of different abilities between the ages of 2 and 11. Pupils are drawn from the local area in accordance with the local authority's admission criteria.

Eaton Bray Academy's principal activity is specifically restricted to the following:

To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

**a. Objects and aims**

The principal object and aims of the charitable company is the operation of Eaton Bray Academy.

In accordance with the Articles of Association, the Academy has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy during the year ended 31 August 2020 are summarised below:

- create and maintain an enjoyable learning environment that is friendly, welcoming, caring and safe;
- develop self confidence and an enthusiastic and enquiring attitude towards, teaching learning and sharing;
- meet the individual child's needs by teaching a broad creative curriculum that emphasises literacy, numeracy and Information, communication skills;
- establish excellent relationships with the local community and wider world so that our children are active members of a global society;
- professionally develop the whole staff, encompassing new ideas and sharing individual learning in order to increase the range of experiences offered to the children;
- provide a well researched environment that is centred on the learning needs of all children;
- establish and maintain close links with the parents and families of the children who attend Eaton Bray;
- provide an excellent communication system, which includes the views of all adults and children involved with Eaton Bray.



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

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

The Academy's mission is to raise the achievement of all who work in the school through systematic planning, reviewing and developing in order to gain optimum attainment in life skills. To this end the activities provided include:

- well planned learning opportunities for all pupils to attain appropriate academic levels in EYFS and KS1/2 statutory assessments;
- professional development opportunities for all staff, and especially teaching staff;
- all staff to have annual performance management objectives set and reviewed;
- pupil and parent involvement in leadership decisions through the use of the School and Parent Councils;
- a broad and balanced creative curriculum provided for all pupils;
- opportunities for learning clubs during lunchtime to allow pupils to improve and develop;
- provide opportunities for before school (breakfast club 7.30 – 8.50) and after school extended learning clubs (3.30 – 5.30) to allow pupils to explore practical areas, purchased by the parents;
- talent spotting of all individuals on the staff including succession planning in order to further improve; and
- provide a fully inclusive education available to all.

**c. Public benefit**

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

**Achievements and performance**

**a. Achievements and Performance**

After a very successful Ofsted visit and report, we can now look forward to putting our full focus on further enhancing the curriculum.

Whilst not ignoring the challenge of achieving even better SATS and Phonics scores, the whole team will be developing and assessing their subject areas to make them even more relevant and exciting for the children.

We are united in our determination to make EBA an even more wonderful place to be!

We continue to offer extended services with daily Breakfast and After School clubs all run by school staff.

Statutory National Assessments did not take place in 2020 due to the Covid-19 pandemic.

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

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**Achievements and performance (continued)**

**b. Key performance indicators**

In its last inspection on the 23rd May, 2019, Ofsted highlighted below as some of the key findings:

- Since the previous inspection, the leadership team has been restructured. Leaders have been relentless in their actions to address weaknesses in provision that were previously identified.
- Leaders, including governors, correctly recognise the school's strengths. They demonstrate capacity to continue improving the quality of education the school offers.
- Pupils' attitudes to school and learning are extremely positive. Pupils are unfailingly proud of their school.
- Leaders have built relationships with parents and carers. As a result, parents are increasingly aware of the importance of pupils attending school regularly. Pupils' attendance has significantly improved since last year.
- Current pupils make good progress in reading, writing and mathematics.
- Disadvantaged pupils who attend school regularly are making very strong progress as a result of well-planned use of the pupil premium grant.
- Pupils with special educational needs and/or disabilities (SEND) make effective progress because the leader has a strong understanding of pupils' individual needs and their barriers to learning.
- Leaders of mathematics, science, reading and writing monitor their subjects particularly well. They offer teachers guidance and resources that enable pupils to make good progress.

The Academy is also monitored through the completion and submission to the ESFA of:

- the Annual Accounts Return;
- the Budget Forecast Return Three Year; and
- the Financial Management and Governance Evaluation.

**c. Going concern**

After making appropriate enquiries, the board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

**Financial review**

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

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**a. Financial and risk management objective and policies**

The Academy's financial objectives are:

- Applying at all times best value principles in all purchases;
- Monitoring and evaluating the value for money of all staff; and
- Preventing all areas of wastage.

These objectives were achieved in the period ending 31 August 2020.

**Financial report for the period**

The principal source of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. A high percentage of this funding is spent on teaching and other salaries to deliver the Academy's primary objective of the provision of education. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the period ended 31 August 2020, total income was £1,338,125 (2019: £966,640) and expenditure was £1,129,882 (2019: £978,812). The deficit of income over expenditure for the period, before actuarial gains and losses, was £208,243 (2019: Deficit £12,172).

At 31 August 2020 the net book value of fixed assets was £1,268,178 (2019: £1,302,267). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to pupils.

**Financial position**

The Academy held fund balances at 31 August 2020 of £1,012,143 (2019: 1,059,900). This comprised restricted fixed asset funds of £1,559,499; restricted fund surplus of £Nil, unrestricted general fund surplus of £22,644 and pension reserve deficit of £570,000.

**b. Reserves policy**

The Governing Body reviews the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governing Body has determined that the appropriate level of combined unrestricted and restricted reserves (excluding restricted fixed asset reserves and before the pension scheme liability) should be equivalent to 2 to 4 weeks expenditure, approximately £40,000 to £80,000. 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 Academy's total reserves at 31 August 2019 are as stated above. The combined unrestricted and restricted reserves at 31 August 2019 was £22,644. The present level of reserves currently falls short of the target level and the Governing Body's strategy to correct this is to build funds through planned operating surpluses over the next 24 to 36 months.

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

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**c. Investment policy**

The academy holds surplus cash balances in an interest bearing deposit account with HSBC Bank plc.

**d. Principal risks and uncertainties**

**Risk Management**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities and of teaching and finance. The governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy continues to undertake work to develop and embed the system of internal control, including financial, operational and risk management that is designed to protect the Academy's assets and reputation. Based on its mission, the Risk Management Group undertakes a review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed at least annually by the Finance Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the Academy. Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

**1. Government funding**

The Academy has considerable reliance on continued government funding through the ESFA. In 2019/2020, 92% of the Academy's incoming/outgoing resources were ultimately publicly funded and this level of requirement is expected to continue. There can be 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.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Ensuring the Academy is rigorous in delivering high quality education and training; and
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

**2. Maintain adequate funding of pension liabilities**

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of Financial Reporting Standard (FRS) 102. This deficit relates to non-teaching staff who are members of the Central Bedfordshire Pension Fund. At 31 August 2020 the deficit amounted to £570,000 (2019: £294,000).

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

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The pension scheme liability is an on-going liability that is not expected to crystallise until the retirement of the employees in the scheme. The Academy makes contributions to the scheme on behalf of its employees. The contributions are determined by the scheme's actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

### **Fundraising**

Any fundraising activity carried out by the Academy or the PTA/HSA is in accordance with the Charities (Protection and Social Investment) Act 2016. Fundraising is carried out by Academy staff and parent volunteers to raise funds that enhance the learning of the pupils of Eaton Bray Academy. Accurate financial records are kept by both the school and the PTA/HSA. Any complaints regarding fundraising will be dealt with in accordance with the academy's complaints policy. Fundraising activities are mainly school based, aimed at parents, pupils and, on occasion, the wider local community, and are only publicised within the school community. No unduly rigorous marketing techniques are used and we make it clear to supporters that any donations are voluntarily made.

### **Plans for future periods**

The Academy intends to action fully the areas of development as detailed on the School Development Plan 2019/2020 which we hampered by the impact of Covid-19. The main areas for development include:

#### **Whole School focus on Maths –**

- To continue to increase the level of mental fluency of all children across the school and to specifically develop children's knowledge of times tables.
- To develop a more robust and consistent cycle of summative assessments across the school, including the use of the WR Assessment Materials.
- To support and monitor teaching and learning in Years 2 and 5 in order to ensure that children are making accelerated progress and more children are therefore meeting ARE
- To ensure the implementation of appropriate interventions for Key Stage 1

#### **Whole School focus on English –**

- To establish whole class guided reading
- To monitor whole class phonics and raise phonics levels
- To raise attainment in writing
- To ensure class reading areas and the school library are being utilised to encourage reading
- To use the Kagan and questioning training in English lessons

#### **Other Areas**

- Develop assessment policy and practice to ensure it is consistently applied and rigorous
- Develop more cross curricular work and ensure foundation subjects have real structure and focus.
- Linked to above, revise the curriculum looking in particular at STEAM, Forest School, Sports and the Arts
- Build on the success of achieving Gold Mark for Sport
- SMSC - to continue to develop our relationship with our friends and colleagues in Lesotho and introduce links with India
- Residential trips to be continued for Key Stage 2 home and abroad
- Achieve the Silver Eco Award.
- Achieve the International Award

### **Funds held as custodian on behalf of others**

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

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

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**Disclosure of information to auditors**

Insofar as the Governors are aware:

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

The Governors' report was approved by order of the Board of Governors, as the company directors, on and signed on its behalf by:



**Mrs C Wendeler**  
Chair of Governors

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**EATON BRAY ACADEMY**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

The board of Governors has delegated the day-to-day responsibility to the Principal, 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 Eaton Bray Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 4 times during the year.

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

Governor	Meetings attended	Out of a possible
Mrs S Hounslow, Head Teacher	3	4
Mrs L Matthews, Staff Governor	4	4
Mr A Ganatra, Parent Governor	2	4
Mr M Whall, Parent Governor	2	4
Mr P Fisher, Parent Governor	1	4
Mr S Haydon, Community Governor**	0	4
Mrs C Wendeler, Chair of Governors	4	4
Dr R Bell, Community Governor	3	4
Mr G Baker, Associate Governor	1	1
Ms A Loveday, Community Governor	1	1
Mrs L Mercer, Head Teacher	1	1

\*\*Mr Haydon: associate member and board of trustees only

The Finance Committee is a sub-committee of the main board of Governors. The Finance Committee meets at least once a term but more frequent meetings can be arranged if necessary. The main responsibilities of the Finance Committee are detailed in written terms of reference that have been authorised by the Governing Body and include:

- the review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring contracts over £5,000 go to tender and the options are presented to the Governing Body with a suitable recommendation;
- authorising changes to Eaton Bray Academy personnel establishment; and
- reviewing the reports of the internal assurance review on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Governing Body.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr A Ganatra	3	3
Mr S Haydon	3	3
Mrs S Hounslow	3	3
Dr R Bell	1	1
Mrs L Matthews	1	1
Mrs C Wendeler	1	1

**Review of value for money**

As accounting officer, the Principal 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 Governors 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 adhering to their Best Value Statement as follows:

**BEST VALUE STATEMENT**  
**2019-2020**

**Introduction**

The staff and governors of Eaton Bray Academy understand that they rely on public funds for best provision. Therefore, it is seen as vital that the Academy achieves best value for money particularly because it has a large amount of control over its spending decisions.

**Best value Principles**

The staff and governors at Eaton Bray academy feel that it is their statutory duty to ensure that best value principles are adopted in order that the Academy can be successful in raising standards. The staff and governors will endeavour to raise standards by the most economic, efficient and effective means available. In all purchasing decisions the best value principles will be applied.

The four best value principles are:

- **COMPARE:** How a school's performance compares with that of other schools.
- **CHALLENGE:** Whether the school's performance is high enough, and why and how a service is being provided.
- **COMPETE:** How the school secures economic, efficient and effective services.
- **CONSULT:** Seeking the views of stakeholders about the services provided.

In relation to the Academy's expenditure and delegated budget, the main features of best value can be monitored by the governing body who will ensure that the Academy's budget is allocated, as far as possible, to assist with the raising of standards.



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**GOVERNANCE STATEMENT (CONTINUED)**

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**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Eaton Bray Academy for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal 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 Governors.

**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 Governors
- 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 Governors has decided to employ Mrs C Martin as internal auditor.

The internal auditor'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 various income streams to the school;
- testing of purchase systems and reclaims for VAT;
- testing of bank reconciliations; and
- testing of payroll systems.

On a termly basis, the internal auditor reports to the board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

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**EATON BRAY ACADEMY**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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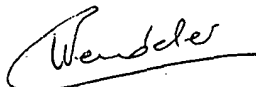
**Review of effectiveness**

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- on discharge of the Board of Governors financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- 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 general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



**Mrs C Wendeler**  
Chair of Governors



**Mrs L Mercer**  
Accounting Officer

---

**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Eaton Bray Academy I have considered my responsibility to notify the Academy board of Governors 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 board of Governors 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 funding agreement and the Academies Financial Handbook 2019.

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



**Mrs L Mercer**  
Accounting Officer  
Date: 28/01/2021

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**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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

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The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial . Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on and signed on its behalf by:



**Mrs C Wendeler**  
Chair of Governors

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**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EATON BRAY ACADEMY**

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**Opinion**

We have audited the financial statements of Eaton Bray Academy (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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EATON BRAY ACADEMY (CONTINUED)**

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**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Governors' 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 Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report has 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EATON BRAY ACADEMY (CONTINUED)**

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**Responsibilities of trustees**

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

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

**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.



**Alan Endersby, ACA (Senior statutory auditor)**  
for and on behalf of  
**Streets Audit LLP**  
Potton House

Wyboston Lakes  
Great North Road  
Wyboston  
Bedfordshire  
MK44 3BZ

29 January 2021

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**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EATON  
BRAY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 6 September 2019 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 Eaton Bray Academy 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 Eaton Bray Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Eaton Bray Academy 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 Eaton Bray Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Eaton Bray Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Eaton Bray Academy's funding agreement with the Secretary of State for Education dated 31 March 2011 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.

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the Finance Team.



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**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**

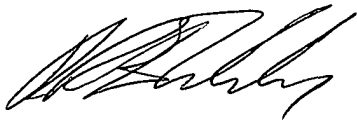
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EATON  
BRAY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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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.



Alan Endersby, ACA (Senior statutory auditor)  
**Streets Audit LLP**

Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Bedfordshire  
MK44 3BZ

Date: 29 JANUARY 2021

**EATON BRAY ACADEMY**  
(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	3	30,005	-	400,983	430,988	41,798
Charitable activities		-	854,061	-	854,061	871,592
Other trading activities		500	41,511	-	42,011	53,209
Investments	6	65	11,000	-	11,065	41
<b>Total income</b>		<b>30,570</b>	<b>906,572</b>	<b>400,983</b>	<b>1,338,125</b>	<b>966,640</b>
<b>Expenditure on:</b>						
Charitable activities		9,518	976,420	143,944	1,129,882	978,812
<b>Total expenditure</b>		<b>9,518</b>	<b>976,420</b>	<b>143,944</b>	<b>1,129,882</b>	<b>978,812</b>
<b>Net income/(expenditure)</b>		<b>21,052</b>	<b>(69,848)</b>	<b>257,039</b>	<b>208,243</b>	<b>(12,172)</b>
Transfers between funds	18	(23,338)	23,145	193	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(2,286)</b>	<b>(46,703)</b>	<b>257,232</b>	<b>208,243</b>	<b>(12,172)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(256,000)	-	(256,000)	(104,000)
<b>Net movement in funds</b>		<b>(2,286)</b>	<b>(302,703)</b>	<b>257,232</b>	<b>(47,757)</b>	<b>(116,172)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		24,930	(267,297)	1,302,267	1,059,900	1,176,072
Net movement in funds		(2,286)	(302,703)	257,232	(47,757)	(116,172)
<b>Total funds carried forward</b>		<b>22,644</b>	<b>(570,000)</b>	<b>1,559,499</b>	<b>1,012,143</b>	<b>1,059,900</b>

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**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**

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

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The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 53 form part of these financial statements.

**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07556185**

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

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	1,268,178	1,302,267
		<u>1,268,178</u>	<u>1,302,267</u>
<b>Current assets</b>			
Stocks	14	-	2,260
Debtors	15	463,283	26,106
Cash at bank and in hand		58,813	85,091
		<u>522,096</u>	<u>113,457</u>
Creditors: amounts falling due within one year	16	(185,008)	(56,158)
<b>Net current assets</b>		<u>337,088</u>	<u>57,299</u>
<b>Total assets less current liabilities</b>		<u>1,605,266</u>	<u>1,359,566</u>
Creditors: amounts falling due after more than one year	17	(23,123)	(5,666)
<b>Net assets excluding pension liability</b>		<u>1,582,143</u>	<u>1,353,900</u>
Defined benefit pension scheme liability	25	(570,000)	(294,000)
<b>Total net assets</b>		<u><u>1,012,143</u></u>	<u><u>1,059,900</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	1,559,499	1,302,267
Restricted income funds	18	-	26,703
		<u>1,559,499</u>	<u>1,328,970</u>
Restricted funds excluding pension asset	18	1,559,499	1,328,970
Pension reserve	18	(570,000)	(294,000)
<b>Total restricted funds</b>	18	<u>989,499</u>	<u>1,034,970</u>
<b>Unrestricted income funds</b>	18	<u>22,644</u>	<u>24,930</u>
<b>Total funds</b>		<u><u>1,012,143</u></u>	<u><u>1,059,900</u></u>

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**EATON BRAY ACADEMY**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07556185

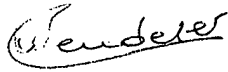
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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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

The financial statements on pages 24 to 53 were approved by the Governors, and authorised for issue on  
28 JANUARY 2021 and are signed on their behalf, by:



**Mrs C Wendeler**  
Chair of Governors

The notes on pages 29 to 53 form part of these financial statements.

**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	(441,778)	31,186
<b>Cash flows from investing activities</b>	22	394,848	15,864
<b>Cash flows from financing activities</b>	21	20,652	(3,152)
<b>Change in cash and cash equivalents in the year</b>		(26,278)	43,898
Cash and cash equivalents at the beginning of the year		85,091	41,193
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<u>58,813</u>	<u>85,091</u>

The notes on pages 29 to 53 form part of these financial statements

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**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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

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**1. Accounting policies**

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

**1.1 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.

**1.2 Going concern**

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

**1.3 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.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

- **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.

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**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

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.

- **Donations**

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

- **Other income**

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

**1.4 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.

**1.5 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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**EATON BRAY ACADEMY**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% Straight line per annum
Furniture and equipment	-	25% Straight line per annum
Plant and machinery	-	25% Straight line per annum
Computer equipment	-	33% Straight line per annum

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.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 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.

**1.9 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.

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**EATON BRAY ACADEMY**  
(A company limited by guarantee)

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

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**1. Accounting policies (continued)**

**1.10 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.

**1.11 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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 notes 16 and 17. 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.13 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.

**1.14 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 Governors.

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.

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

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

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**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019 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.

**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	30,005	-	-	30,005	25,975
Capital Grants	-	-	400,983	400,983	15,823
	<u>30,005</u>	<u>-</u>	<u>400,983</u>	<u>430,988</u>	<u>41,798</u>
<i>Total 2019</i>	<u>20,775</u>	<u>5,200</u>	<u>15,823</u>	<u>41,798</u>	

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**4. Funding for the academy's educational operations**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	656,234	<b>656,234</b>	671,210
Other DfE / EFA Grants	116,872	<b>116,872</b>	98,337
	<u>773,106</u>	<u><b>773,106</b></u>	<u>769,547</u>
<b>Other government grants</b>			
Local Authority Grants	80,955	<b>80,955</b>	102,045
	<u>80,955</u>	<u><b>80,955</b></u>	<u>102,045</u>
	<u>854,061</u>	<u><b>854,061</b></u>	<u>871,592</u>
<i>Total 2019</i>	<u>871,592</u>	<u>871,592</u>	

**5. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Catering Income	-	13,314	<b>13,314</b>	19,417
Breakfast/After School Clubs	-	18,356	<b>18,356</b>	21,313
Pre-School Income	-	7,789	<b>7,789</b>	9,484
Other Income	-	2,052	<b>2,052</b>	2,725
Lettings Income	500	-	<b>500</b>	270
	<u>500</u>	<u>41,511</u>	<u><b>42,011</b></u>	<u>53,209</u>
<i>Total 2019</i>	<u>270</u>	<u>52,939</u>	<u>53,209</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Investment income**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest Received	65	-	65	41
Pension income	-	11,000	11,000	-
	<u>65</u>	<u>11,000</u>	<u>11,065</u>	<u>41</u>
<i>Total 2019</i>	<u>41</u>	<u>-</u>	<u>41</u>	

**7. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Academy's educational operations:					
Direct costs	700,614	-	40,072	740,686	657,795
Allocated support costs	128,836	42,522	217,838	389,196	321,017
	<u>829,450</u>	<u>42,522</u>	<u>257,910</u>	<u>1,129,882</u>	<u>978,812</u>
<i>Total 2019</i>	<u>778,622</u>	<u>37,092</u>	<u>163,098</u>	<u>978,812</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Academy's educational operations	740,686	389,196	<b>1,129,882</b>	978,812
<i>Total 2019</i>	<u>657,795</u>	<u>321,017</u>	<u>978,812</u>	

**Analysis of direct costs**

	<b>Activities 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	700,614	<b>700,614</b>	624,263
Educational supplies	37,394	<b>37,394</b>	29,450
Other staff costs	2,678	<b>2,678</b>	4,082
	<u>740,686</u>	<u><b>740,686</b></u>	<u>657,795</u>
<i>Total 2019</i>	<u>657,795</u>	<u>657,795</u>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Pension finance costs	-	-	5,000
Staff costs	128,836	<b>128,836</b>	154,359
Depreciation	40,289	<b>40,289</b>	43,788
Maintenance of premises and equipment	28,774	<b>28,774</b>	19,358
Heat and light	9,681	<b>9,681</b>	12,850
Insurance	4,902	<b>4,902</b>	5,664
Rent and rates	4,067	<b>4,067</b>	4,884
Technology costs	10,067	<b>10,067</b>	10,430
Phone and broadband	1,536	<b>1,536</b>	2,353
Printing, postage and stationery	11,230	<b>11,230</b>	8,411
Subscriptions	7,371	<b>7,371</b>	9,037
Operating lease	3,174	<b>3,174</b>	3,544
Catering costs	20,771	<b>20,771</b>	21,668
Other support costs	3,369	<b>3,369</b>	9,054
CIF expenditure	103,655	<b>103,655</b>	-
Governance costs	11,474	<b>11,474</b>	10,617
	<u>389,196</u>	<u><b>389,196</b></u>	<u>321,017</u>
<i>Total 2019</i>	<u>321,017</u>	<u><b>321,017</b></u>	



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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	3,174	3,544
Depreciation of tangible fixed assets	40,289	43,788
Fees paid to auditors for:		
- audit	6,000	6,000
- other services	750	750
	<u>          </u>	<u>          </u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	603,590	597,043
Social security costs	51,570	39,768
Pension costs	154,186	128,251
	<u>809,346</u>	<u>765,062</u>
Supply staff costs	20,104	13,560
	<u>829,450</u>	<u>778,622</u>

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers	11	14
Administration and support	20	23
	<u>31</u>	<u>37</u>

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**10. Staff (continued)**

**b. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	9	11
Administration and support	11	15
	<u>20</u>	<u>26</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 £60,001 - £70,000	1	-

**d. Key management personnel**

The key management personnel of the Academy comprise the Governors 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 £218,345 (2019 £171,404).

**11. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2020 £	2019 £
Mrs S Hounslow, Head Teacher	Remuneration	60,000 -	55,000 -
		65,000	60,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Mrs L Matthews, Staff Governor	Remuneration	50,000 -	45,000 -
		55,000	50,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Mr M Whall, Parent Governor	Remuneration		10,000 -
			15,000
	Pension contributions paid		0 - 5,000

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Governors' remuneration and expenses (continued)**

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

**12. Governors' and Officers' insurance**

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

**13. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	1,511,672	20,403	46,275	52,887	1,631,237
Additions	-	-	6,200	-	6,200
At 31 August 2020	1,511,672	20,403	52,475	52,887	1,637,437
<b>Depreciation</b>					
At 1 September 2019	222,506	20,401	35,846	50,217	328,970
Charge for the year	31,876	-	6,317	2,096	40,289
At 31 August 2020	254,382	20,401	42,163	52,313	369,259
<b>Net book value</b>					
At 31 August 2020	1,257,290	2	10,312	574	1,268,178
At 31 August 2019	1,289,166	2	10,429	2,670	1,302,267

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**14. Stocks**

	2020 £	2019 £
Finished goods and goods for resale	-	2,260

**15. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	1,359	1,485
Other debtors	29,017	15,718
Prepayments and accrued income	432,907	8,903
	<u>463,283</u>	<u>26,106</u>

**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other loans	2,999	-
Trade creditors	139,205	14,733
Other taxation and social security	11,994	11,190
Obligations under finance lease and hire purchase contracts	3,535	3,339
Other creditors	1,000	-
Accruals and deferred income	26,275	26,896
	<u>185,008</u>	<u>56,158</u>

	2020 £	2019 £
Deferred income at 1 September 2019	16,952	23,653
Resources deferred during the year	15,302	16,952
Amounts released from previous periods	(16,952)	(23,653)
	<u>15,302</u>	<u>16,952</u>

At the balance sheet date, the Academy was holding funds received in advance for Universal Infant Free School Meal provision relating to the academic year 2020/21.

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**17. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	20,993	-
Net obligations under finance lease and hire purchase contracts	2,130	5,666
	<u>23,123</u>	<u>5,666</u>

At the reporting date there was a loan balance of £5,665 from Black Horse maturing on 31 March 2022 provided on the following terms: repayable over 4 years at effective interest rate of 5.9% is secured on the minibus.

During the year there was a salix loan received of £8,492 repayable over 8 years at an interest rate of 0%. Additionally two CIF loans of £7,500 and £8,000 were received in the year, both of there are repayable over 8 years at an effective interest rate of 2.23%.

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**NOTES TO THE FINANCIAL STATEMENTS  
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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	24,930	30,570	(9,518)	(23,338)	-	22,644
<b>Restricted general funds</b>						
General Annual Grant (GAG)	21,703	656,234	(701,082)	23,145	-	-
Other DfE / ESFA Grants	-	116,872	(116,872)	-	-	-
LA and Other Grants	-	80,955	(80,955)	-	-	-
Other Income	-	41,511	(41,511)	-	-	-
Donations	5,000	-	(5,000)	-	-	-
Pension reserve	(294,000)	11,000	(31,000)	-	(256,000)	(570,000)
	<u>(267,297)</u>	<u>906,572</u>	<u>(976,420)</u>	<u>23,145</u>	<u>(256,000)</u>	<u>(570,000)</u>
<b>Restricted fixed asset funds</b>						
Tangible Fixed Assets	1,302,267	-	(40,289)	6,200	-	1,268,178
Devolved Formula Capital	-	6,007	-	(6,007)	-	-
CIF Funding	-	394,976	(103,655)	-	-	291,321
	<u>1,302,267</u>	<u>400,983</u>	<u>(143,944)</u>	<u>193</u>	<u>-</u>	<u>1,559,499</u>
<b>Total Restricted funds</b>	<u>1,034,970</u>	<u>1,307,555</u>	<u>(1,120,364)</u>	<u>23,338</u>	<u>(256,000)</u>	<u>989,499</u>
<b>Total funds</b>	<u>1,059,900</u>	<u>1,338,125</u>	<u>(1,129,882)</u>	<u>-</u>	<u>(256,000)</u>	<u>1,012,143</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

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

**Unrestricted funds**

The Academy's general funds represents income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these funds for any purpose.

**Restricted funds**

The Academy received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Pupil Premium. High Needs and Early Years grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy. The unspent funds have been carried forward to future accounting periods.

Pension Reserve - As stated in note 25 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to Eaton Bray Academy can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

**Restricted fixed asset funds**

The Academy received Capital Formula funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Assets reserve.

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

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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>						
General Funds	15,608	21,086	(11,764)	-	-	24,930
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(139,333)	671,210	(525,997)	15,823	-	21,703
Other DfE / ESFA Grants	-	98,337	(98,337)	-	-	-
LA and Other Grants	104,742	102,045	(206,787)	-	-	-
Other Income	-	52,939	(52,939)	-	-	-
Donations	-	5,200	(200)	-	-	5,000
Pension reserve	(151,000)	-	(39,000)	-	(104,000)	(294,000)
	<u>(185,591)</u>	<u>929,731</u>	<u>(923,260)</u>	<u>15,823</u>	<u>(104,000)</u>	<u>(267,297)</u>
<b>Restricted fixed asset funds</b>						
Tangible Fixed Assets	1,346,055	-	(43,788)	-	-	1,302,267
Devolved Formula Capital	-	15,823	-	(15,823)	-	-
	<u>1,346,055</u>	<u>15,823</u>	<u>(43,788)</u>	<u>(15,823)</u>	<u>-</u>	<u>1,302,267</u>
<b>Total Restricted funds</b>	<u>1,160,464</u>	<u>945,554</u>	<u>(967,048)</u>	<u>-</u>	<u>(104,000)</u>	<u>1,034,970</u>
<b>Total funds</b>	<u>1,176,072</u>	<u>966,640</u>	<u>(978,812)</u>	<u>-</u>	<u>(104,000)</u>	<u>1,059,900</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	-	-	1,268,178	1,268,178
Current assets	236,975	-	285,121	522,096
Creditors due within one year	(185,008)	-	-	(185,008)
Creditors due in more than one year	(23,123)	-	-	(23,123)
Provisions for liabilities and charges	-	(570,000)	-	(570,000)
Difference	(6,200)	-	6,200	-
<b>Total</b>	<b>22,644</b>	<b>(570,000)</b>	<b>1,559,499</b>	<b>1,012,143</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	1,302,267	1,302,267
Current assets	27,857	85,600	-	113,457
Creditors due within one year	(2,927)	(53,231)	-	(56,158)
Creditors due in more than one year	-	(5,666)	-	(5,666)
Provisions for liabilities and charges	-	(294,000)	-	(294,000)
<b>Total</b>	<b>24,930</b>	<b>(267,297)</b>	<b>1,302,267</b>	<b>1,059,900</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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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)	208,243	(12,172)
<b>Adjustments for:</b>		
Depreciation	40,289	43,788
Capital grants from DfE and other capital income	(400,983)	(15,823)
Interest receivable	(65)	(41)
Defined benefit pension scheme cost less contributions payable	31,000	34,000
Defined benefit pension scheme finance cost	(11,000)	5,000
Decrease in stocks	2,260	834
Increase in debtors	(437,177)	(20,655)
Increase/(decrease) in creditors	125,655	(3,745)
<b>Net cash (used in)/provided by operating activities</b>	<b>(441,778)</b>	<b>31,186</b>

**21. Cash flows from financing activities**

	2020 £	2019 £
Cash inflows from new borrowing	23,992	-
Repayments of borrowing	(3,340)	(3,152)
<b>Net cash provided by/(used in) financing activities</b>	<b>20,652</b>	<b>(3,152)</b>

**22. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	65	41
Purchase of tangible fixed assets	(6,200)	-
Capital grants from DfE Group	400,983	15,823
<b>Net cash provided by investing activities</b>	<b>394,848</b>	<b>15,864</b>

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**23. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	58,813	85,091
<b>Total cash and cash equivalents</b>	<b>58,813</b>	<b>85,091</b>

**24. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	85,091	(26,278)	58,813
Debt due within 1 year	-	(2,999)	(2,999)
Debt due after 1 year	-	(20,993)	(20,993)
Finance leases	(9,005)	3,340	(5,665)
	<b>76,086</b>	<b>(46,930)</b>	<b>29,156</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 Bedfordshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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 £92,319 (2019 - £57,459).

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 £42,000 (2019 - £48,000), of which employer's contributions totalled £31,000 (2019 - £37,000) and employees' contributions totalled £ 11,000 (2019 - £11,000). The agreed contribution rates for future years are 21.8 per cent for employers and 5.5 to 5.8 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	3.25	2.50
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.65	1.90

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.2	20.7
Females	24.3	23.2
<i>Retiring in 20 years</i>		
Males	23.4	21.7
Females	26.1	24.7

**Sensitivity analysis**

	2020	2019
	£000	£000
Discount rate -0.1%	(33,000)	(20,000)
Mortality assumption - 1 year increase	38,000	28,000
CPI rate +0.1%	30,000	17,000

**Share of scheme assets**

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

	2020	2019
	£	£
Equities	407,000	393,000
Corporate bonds	96,000	88,000
Property	57,000	53,000
Cash and other liquid assets	36,000	26,000
<b>Total market value of assets</b>	<b>596,000</b>	<b>560,000</b>

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**25. Pension commitments (continued)**

The actual return on scheme assets was £32,000 (2019 - £13,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(62,000)	(67,000)
Past service cost	-	(4,000)
Interest income	27,000	13,000
Interest cost	(16,000)	(18,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(51,000)</b>	<b>(76,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>854,000</b>	<b>655,000</b>
Current service cost	62,000	67,000
Interest cost	16,000	18,000
Employee contributions	9,000	11,000
Actuarial losses	256,000	104,000
Benefits paid	(31,000)	(5,000)
Past service costs	-	4,000
<b>At 31 August</b>	<b>1,166,000</b>	<b>854,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>560,000</b>	<b>504,000</b>
Expected return on assets	16,000	(2,000)
Interest income	11,000	15,000
Employer contributions	31,000	37,000
Employee contributions	9,000	11,000
Benefits paid	(31,000)	(5,000)
<b>At 31 August</b>	<b>596,000</b>	<b>560,000</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	2,217	2,841
Later than 1 year and not later than 5 years	-	2,217
	<u>2,217</u>	<u>5,058</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 certain governors' remuneration and expenses already disclosed in note 11.