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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
(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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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mrs RoseAnne Ellis Mrs Linda Cress Mr Robert Hitchcock Mrs Caroline Warner (resigned 13 December 2019)
<b>Trustees</b>	Mrs RoseAnne Ellis, Chairman Ms Natalie Patel Ms Kathleen Conroy Mr Robert Hitchcock Mr Stuart Bailey (appointed 12 February 2020) Ms Ros Sandell, Executive Head Teacher and Accounting Officer
<b>Company registered number</b>	08934482
<b>Company name</b>	Fairchildes Academy Community Trust
<b>Principal and registered office</b>	Fairchildes Avenue New Addington Croydon Surrey CR0 0AH
<b>Company secretary</b>	Mrs Roxana Huque-Dowlet
<b>Chief executive officer</b>	Miss Ros Sandell
<b>Senior management team</b>	Ms Ros Sandell, Chief Executive Officer (CEO) and Accounting Officer Mrs Roxana Huque-Dowlet, Chief Financial Officer (CFO) Ms Jo Hussey, Head of School (Fairchildes Primary School) Mr John Green, Head of School (Rowdown Primary School) Mr Guy Fairbairn, Headteacher (Monks Orchard Primary School)
<b>Independent auditors</b>	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR
<b>Bankers</b>	Lloyds Bank 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Winckworth Sherwood Minerva House 5 Montagu Close London SE1 9BB

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust's primary object, as set out in the Article of Association is to advance, for the public benefit, education by offering a broad and balanced curriculum.

The trust operates 3 primary academies in Croydon; Fairchildes Primary School, Rowdown Primary School and Monks Orchard Primary School. The trust also runs a children centre under a service level agreement on behalf of Croydon Council. The trust has a combined pupil capacity of 1412 and had a roll of 1094 in the school census in January 2020.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Fairchildes Academy Community Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Fairchildes Academy Community Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page [1].

### **Members' Liability**

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

### **Method of Recruitment and Appointment or Election of Trustees**

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement. The board of trustees is accountable for all of the academies within the trust. However, it can choose to delegate governance functions to a committee known as Academy Committee. The Trustees in order to discharge their responsibilities will appoint people who are more locally based to serve on a committee, which has been established to ensure the good governance of the Academies within the trust. The Board of Directors draws representation from the Academy Committee. The committee members elects the Chair, although their appointment requires ratification by the Board of trustees.

The Members of the Trust and existing Trustees will appoint new Trustees to the Board. The senior executive leader (executive Headteacher) should be appointed as accounting officer, under the guidance of the board.

The Trustees, in consultation with the Academy Committee, must appoint a headteacher (also known as Head of School) to the academy who will also act as an ex-officio committee member.

The term of office for any governor is 4 years. The Head of School's term of office runs parallel with his/her term of appointment. Subject to remaining eligible to be a particular type of trustee or committee member, any one may be reappointed or re-elected.

### **Trustees' indemnities**

Subject to the provisions of the Companies Act 2006 s236, every Trustee or other officer of the Charitable Company shall be indemnified out of the assets of the Charitable Company against any liability incurred by them

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

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in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company

**Policies and procedures adopted for the induction and training of trustees**

During the period under review, the Trustees held Full Board of Trustees meetings covering Teaching and Learning, Pupil Focus and Finance. In addition, there were 6 meetings of a sub-committee Finance, Personnel & Audit covering Finance and audit.

Individual trustees and Academy committee member attend training courses organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date

The training and induction provided for new Trustees and Academy committee members will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters.

All new Trustees are given a tour of the Academy and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees of the Academy.

**Organisational Structure**

Fairchildes Academy Community Trust has established a management structure to enable its efficient running. The structure consists of two levels: the Trustees and the executives who are in the senior leadership team.

The Board of Trustees has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the Academy and monitor its progress towards these objectives. Trustees are responsible for setting general policies, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, including capital expenditure and senior staff appointments. The trustees decided to take the responsibility for financial and other corporate functions being carried centrally, leaving the Local Governing Body of each academy free to focus on teaching and learning. Therefore, the schools within the trust have their financial systems, governance and legal issues managed for them by the trust. This in turn, may mean LGB are free to focus on the core business of their pupils' attainment and progress

The Board of Trustees has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, and a scheme of delegation and terms of reference. The Head of School is directly responsible for the day to day running of the Academy and is assisted by a Senior Leadership Team of the school.

The Trust has appointed a Responsible Officer (RO) who provides oversight of the operation of financial management arrangements. The RO undertakes checks to help ensure that the financial responsibilities of the board of Trustees are properly discharged.

The Executive Head teacher assumes the accounting officer role, the Finance and Business Director assumes the CFO role.

**Arrangement for setting pay and remuneration of key management personnel**

The key management personnel of academies of Faichchildes Academy Community Trust are the executive Head teacher, Finance and Business Director, and the heads of the schools.

The executive head teacher and the Finance & Business director are part of the trust's executive team and are paid by the trust on behalf of its 3 academies from its central pot which is retained as a percentage of each academy's EFA annual funding.

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

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The board of trustees sets up the pay and remuneration of key management personnel.

The board of trustees must ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. The trustees must discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable including

### **Trade union facility time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, **where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period**, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering: Relevant union officials, Percentage of time spent on facility time, Percentage of pay bill spent on facility time and Paid Trade union activities

### **Connected organisations, including related party relationships**

The composition of the Board of Trustees is drawn from local public and private sector organisations. It is therefore inevitable that transactions may take place with organisations in which a member of the board of Trustees may have an interest. All such transactions would be conducted at arm's length.

### **Risk Management**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk.

Risks are scored and prioritised in terms of their potential operational or financial impact and assessed in terms of the likelihood of occurrence. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls.

### **Objectives and Activities**

#### **Objects and aims**

The principal object and activity of the Academy is the operation of Fairchildes Academy Community Trust, to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust. In accordance with the articles of association, the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

#### **Objectives, Strategies and Activities**

The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

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

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

- To develop more effective relationships between all stakeholders to positively impact on the ethos of the academies and behaviour of pupils within the academies.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- Provide support building upon individual learning and/or areas of strength between schools to improve key aspects of performance.
- Achieve best value in service delivery especially where partnership working can add value.
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- to provide support building upon individual learning and/or areas of strength between schools to improve key aspects of performance.
- The trust will strengthen its accountability structure through a review of the effectiveness of leadership and management. It will achieve this through developing a more effective appraisal framework.

The Academy's vision is to create:

- a strong ethos of achievement leading to improved standards
- personal confidence
- appropriate thinking skills
- It is the responsibility of all of the adult staff in each academy to remove the barriers to each individual child's development and create the conditions in which they are able to love and enjoy learning.
- It is the responsibility of each academy to reach out, raise, and support the aspiration of their community to believe in their children's potential.

This is achieved through developing:

- a sense of personal identity
- a sense of belonging to an individual academy
- an emphasis on personal and community responsibility
- a positive learning climate in terms of the nature of courses offered and teaching styles utilised
- positive relationships with external partners

The main activities for achieving objectives the academy will undertake will be:

- Developing a new teaching and learning policy and implementing this effectively.
- The academy will review and develop its curriculum provision to enhance creativity and engagement.
- The accountability of the academy will be strengthened by the development of new policies and procedures and implementation of a new self-evaluation framework.
- Where possible the Trust secures value for money and consistent quality of support services through a combination of centrally procured and provided services

### **Public Benefit**

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As a multi academy trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, and national charities.

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

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- Providing community events.

## **Strategic Report**

### **Achivement and performance**

Unfortunately, due to the cancellation of the statutory end of key stage testing in the Summer of 2020, we have no data to give you to evidence performance at the three schools. However, early evidence this year suggests that, despite the loss of teaching time, the majority of our pupils will be able to “catch up” this year as they are working from a sound base.

One key achievement last year was an Ofsted Inspection at Rowdown in October 2019, resulting in a Good grade (the school had not been judged to be at this level for the previous 20 years)

### **Going Concern**

After making appropriate enquiries, the Board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

During COVID-19 Schools remained open for limited pupil numbers since lockdown. Risk assessments were then adapted for full opening and taking into account new government guidelines. Barriers put in playground to support pod arrangements

Staffing levels not seriously affected, all were on rota and home working. All scheduled meetings have taken place through Zoom

Each school has series of letters to parents and staff detailing procedures and updated risk assessments.

All information also available to the Trustees and Academy Committee members.

### **Financial Review**

Most of the Academy's income is obtained from the Education Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12-month period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives specific grants from Croydon Council. The grant relate to pupils with Special Educational need and pupils in Nursery and Children Centre. The Academy Trust has also generated income via extended services offering to pupils.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, “Accounting for Reporting by Charities” (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem.

The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

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**TRUSTEES' REPORT (CONTINUED)**  
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The Finance Director has subsequently been reviewing the financial processes and controls. The Board of Trustees, the Finance Committee receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Finance Committee also review longer-term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the Trust.

Overall, the Trust has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and facilities in both the long term and short term in conjunction with the school development plan and school aims.

**Financial risk and risk management objectives and policies**

The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy's system of internal controls ensures risk is minimal in these areas.

**Reserve policy**

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use.

The Academy Trust's free reserves are total funds less the amount held in fixed assets and restricted funds.

Reserves are therefore the resources the trust has or can make available to spend for its purposes once it has met its commitments. The level of reserves held take into account the nature of income and expenditure streams, they need to match them with commitments, including future capital projects, and the nature of reserves. The trusts review the reserves annually, but are mindful of budget forecast when discussing reserves.

**Investment Policy**

It should be noted that the Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at academy level, which is agreed by the trust. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration.

**Principal Risks and Uncertainties**

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust, and its finances. The trustees

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

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have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

**Future Development**

To increase the level of pupil support to address the growing numbers of EAL and SEN pupils. This will require recruiting additional skilled staff. We also would like to continue to improve the ICT suite and have more computer/ hardware available for all schools.

**Auditor**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that: Insofar as the trustees are aware:

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

This report, incorporating the Strategic Report, was approved by order of the board of trustees, as the company directors, on 18 December 2020 and signed on the board's behalf by:



**Mrs R Ellis**  
**Chair of Trustees**

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

The board of trustees has delegated the day-to-day responsibility to the **Executive Head** as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Fairchildes Academy Community Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs RoseAnne Ellis, (Chair of the board)	6	6
Ms Natalie Patel	6	6
Ms Kathleen Conroy	1	6
Mr Robert Hitchcock	4	6
Mr Stuart Bailey	4	4
Ms Ros Sandell, (Accounting Officer)	6	6

Trustees typically also serve on a number of other sub committees, Finance personnel & Audit committee and Academy Committee, as set out on the trust website.

The impact of Academy Committee is reviewed and monitored through the Headline Document that each committee reviews and produces on a termly basis. The Trustees also intend to perform a self-evaluation review of governance in the coming year.

The Finance, Personnel and audit committee of the trust met 6 times during the year.

Attendance during the year at meetings was as follows:

	Meetings attended	Out of a possible
RoseAnne Ellis	6	6
Natalie Patel	6	6
Robert Hitchcock (Chair)	4	6
Stuart Bailey	4	4
Ros Sandell, (Accounting Officer)	6	6

The audit committee is combined with Finance committee to create Finance, Personal & Audit committee. The main purpose of this committee is

- to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorisation.

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**GOVERNANCE STATEMENT (CONTINUED)**

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Governance (continued)

- To monitor the integrity of the financial statements;
- review internal financial controls and review the Academy's internal control and risk management systems;
- make recommendations to the trust in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- to review the auditor's independence and objectivity.

No significant issues to note were dealt with during the period.

**Review of Value for Money**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by

- Continuing deploying experienced staff effectively across both schools to ensure improvements in the curriculum is made and teaching staff are supported in improving educational standards. Expertise has been shared and teaching and support staff trained in best practice to help raise the attainments and progress in the schools.
- Most non class room based qualified teachers, SLT members have been asked to take more responsibility for a class.
- Where possible staff who have left have not been replaced
- Internal control over spending has been strengthened through robust challenge of spending.
- All contracts are reviewed regularly to ensure they offer best value for money.
- Where possible have single combined SLA for all schools of the trust to receive discounted offers

**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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fairchildes Academy Community Trust for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 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 trustees.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The Risk and Control Framework**

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- 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 programs;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint **Academy Audit** as trust's internal auditor

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

- testing of payroll systems
- testing of purchase systems
- testing on income
- testing of control account/ bank reconciliations
- testing on management account review
- Review on risk register, fixed asset, special payments, website etc.

On a regular basis, **Academy Audit the internal auditor will** report to the Board of trustees, through the **Finance, Personnel & Audit committee** on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the **internal auditor** has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

**Review of Effectiveness**

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

- the work of the ;
- the work of the external auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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**GOVERNANCE STATEMENT (CONTINUED)**

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Review of Effectiveness (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel and Audit 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 Trustees on 18 December 2020 and signed on their behalf by:



**Mrs R Ellis**  
**Chair of Trustees**



**Miss R Sandell**  
**Accounting Officer**

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Fairchildes Academy Community Trust I have considered my responsibility to notify the Academy board of Trustees 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 Trustees 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 Trustees and ESFA.



**Miss R Sandell**  
**Accounting Officer**  
Date: 18 December 2020

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the 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 Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2020 and signed on its behalf by:



**Mrs R Ellis**  
**Chair of Trustees**

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FAIRCHILDES ACADEMY COMMUNITY TRUST**

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**Opinion**

We have audited the financial statements of Fairchildes Academy Community Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FAIRCHILDES ACADEMY COMMUNITY TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FAIRCHILDES ACADEMY COMMUNITY TRUST (CONTINUED)**

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**Responsibilities of trustees**

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

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

**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.

 for Landau Baker Limited

**Michael Durst (Senior statutory auditor)**  
for and on behalf of  
**Landau Baker Limited**  
Chartered Accountants  
Statutory Auditor  
Mountcliff House

154 Brent Street  
London  
NW4 2DR

18 December 2020

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
FAIRCHILDES ACADEMY COMMUNITY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 15 July 2014 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 Fairchildes Academy Community Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Fairchildes Academy Community Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Fairchildes Academy Community Trust's funding agreement with the Secretary of State for Education dated 15 July 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Landau Baker Limited*

**Reporting Accountant**

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

Date: 18 December 2020

**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

	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					
Other donations and capital grants	-	-	85,735	85,735	2,676,495
Charitable activities	-	7,558,021	-	7,558,021	7,658,982
Other trading activities	-	241,451	-	241,451	404,917
Investments 6	580	-	-	580	440
<b>Total income</b>	<b>580</b>	<b>7,799,472</b>	<b>85,735</b>	<b>7,885,787</b>	<b>10,740,834</b>
<b>Expenditure on:</b>					
Charitable activities 8	-	8,063,293	191,730	8,255,023	8,547,096
<b>Total expenditure</b>	<b>-</b>	<b>8,063,293</b>	<b>191,730</b>	<b>8,255,023</b>	<b>8,547,096</b>
<b>Net income/(expenditure)</b>	<b>580</b>	<b>(263,821)</b>	<b>(105,995)</b>	<b>(369,236)</b>	<b>2,193,738</b>
Transfers between funds 21	-	(25,450)	25,450	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>	<b>580</b>	<b>(289,271)</b>	<b>(80,545)</b>	<b>(369,236)</b>	<b>2,193,738</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes 29	-	1,760,000	-	1,760,000	(1,371,000)
<b>Net movement in funds</b>	<b>580</b>	<b>1,470,729</b>	<b>(80,545)</b>	<b>1,390,764</b>	<b>822,738</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	2,829	(4,585,837)	10,141,275	5,558,267	4,735,529
Net movement in funds	580	1,470,729	(80,545)	1,390,764	822,738
<b>Total funds carried forward</b>	<b>3,409</b>	<b>(3,115,108)</b>	<b>10,060,730</b>	<b>6,949,031</b>	<b>5,558,267</b>

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

The notes on pages 24 to 50 form part of these financial statements.

**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08934482**

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

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible Assets	15	2,640	5,879
Tangible assets	16	10,043,214	10,119,899
		<u>10,045,854</u>	<u>10,125,778</u>
<b>Current assets</b>			
Debtors	17	262,962	311,536
Cash at bank and in hand		1,178,023	609,330
		<u>1,440,985</u>	<u>920,866</u>
Creditors: amounts falling due within one year	18	(644,700)	(491,959)
<b>Net current assets</b>		<u>796,285</u>	<u>428,907</u>
<b>Total assets less current liabilities</b>		<u>10,842,139</u>	<u>10,554,685</u>
Creditors: amounts falling due after more than one year	19	(48,108)	(57,418)
<b>Net assets excluding pension liability</b>		<u>10,794,031</u>	<u>10,497,267</u>
Defined benefit pension scheme liability	29	(3,845,000)	(4,939,000)
<b>Total net assets</b>		<u><u>6,949,031</u></u>	<u><u>5,558,267</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	10,060,730	10,141,275
Restricted income funds	21	729,892	353,163
		<u>10,790,622</u>	<u>10,494,438</u>
Restricted funds excluding pension asset	21	10,790,622	10,494,438
Pension reserve	21	(3,845,000)	(4,939,000)
<b>Total restricted funds</b>	21	<u>6,945,622</u>	<u>5,555,438</u>
<b>Unrestricted income funds</b>	21	<u>3,409</u>	<u>2,829</u>
<b>Total funds</b>		<u><u>6,949,031</u></u>	<u><u>5,558,267</u></u>

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08934482**

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

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The financial statements on pages 20 to 50 were approved by the Trustees, and authorised for issue on 18 December 2020 and are signed on their behalf, by:



**Mrs R Ellis**  
**Chair of Trustees**

The notes on pages 24 to 50 form part of these financial statements.

**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

	<b>Note</b>	<b>2020</b> £	<i>2019</i> £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	23	<b>603,111</b>	<i>(169,932)</i>
<b>Cash flows from investing activities</b>			
	25	<b>(25,491)</b>	<i>(50,090)</i>
<b>Cash flows from financing activities</b>			
	24	<b>(8,927)</b>	<i>156,438</i>
<b>Change in cash and cash equivalents in the year</b>		<b>568,693</b>	<i>(63,584)</i>
Cash and cash equivalents at the beginning of the year		<b>609,330</b>	<i>672,914</i>
<b>Cash and cash equivalents at the end of the year</b>	26, 27	<b>1,178,023</b>	<i>609,330</i>

The notes on pages 24 to 50 form part of these financial statements

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(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 Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy 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.

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

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(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)**

grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

**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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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(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 Intangible assets**

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
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**1.7 Tangible fixed assets**

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(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)

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years
Leasehold improvements	- 10 - 50 years
Plant and machinery	- 10 years
Computer equipment	- 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to leasehold improvements.

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.

**1.8 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.

**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 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
**(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)

**1.12 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.

**1.13 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 Trustees.

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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Capital Grants	-	85,735	<b>85,735</b>	240,339
Assets gifted on conversion to academy status	-	-	-	2,436,156
	<u>-</u>	<u>85,735</u>	<u><b>85,735</b></u>	<u>2,676,495</u>
<i>Total 2019</i>	<u>(793,844)</u>	<u>3,470,339</u>	<u>2,676,495</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>			
GAG	5,604,396	<b>5,604,396</b>	5,740,474
Other ESFA funding	1,110,053	<b>1,110,053</b>	966,380
	<u>6,714,449</u>	<u><b>6,714,449</b></u>	<u>6,706,854</u>
<b>Other government grants</b>			
LA and other government grants	843,572	<b>843,572</b>	952,128
	<u>7,558,021</u>	<u><b>7,558,021</b></u>	<u>7,658,982</u>
<i>Total 2019</i>	<u><u>7,658,982</u></u>	<u><u>7,658,982</u></u>	

5. Income from other trading activities

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Catering	82,187	<b>82,187</b>	148,700
Lettings	36,646	<b>36,646</b>	40,573
After school clubs	66,980	<b>66,980</b>	119,738
Trips	26,892	<b>26,892</b>	44,242
Other income	28,746	<b>28,746</b>	51,664
	<u>241,451</u>	<u><b>241,451</b></u>	<u>404,917</u>
<i>Total 2019</i>	<u><u>404,917</u></u>	<u><u>404,917</u></u>	

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6. Investment income

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Investment income	580	<b>580</b>	440
<i>Total 2019</i>	440	440	

7. Expenditure

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<i>Total 2019 £</i>
Educational operations:					
Direct costs	5,554,069	-	339,034	<b>5,893,103</b>	6,239,332
Allocated support costs	1,435,399	478,969	447,552	<b>2,361,920</b>	2,307,764
	<u>6,989,468</u>	<u>478,969</u>	<u>786,586</u>	<b><u>8,255,023</u></b>	<u>8,547,096</u>
<i>Total 2019</i>	<u>7,050,440</u>	<u>478,969</u>	<u>1,017,687</u>	<b><u>8,547,096</u></b>	

8. Analysis of expenditure on charitable activities

**Summary by fund type**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Educational operations	8,255,023	<b>8,255,023</b>	8,547,096
<i>Total 2019</i>	<u>8,547,096</u>	<b><u>8,547,096</u></b>	

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9. Analysis of expenditure by activities

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Educational operations	5,893,103	2,361,920	<b>8,255,023</b>	8,547,096
<i>Total 2019</i>	<u>6,239,332</u>	<u>2,307,764</u>	<u>8,547,096</u>	

Analysis of direct costs

	<b>Educational operations 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Staff costs	5,481,083	<b>5,481,083</b>	5,584,980
Educational non-ICT expenditure	177,225	<b>177,225</b>	251,782
Educational ICT expenditure	65,116	<b>65,116</b>	54,294
Staff development and training	11,443	<b>11,443</b>	55,658
Supply teaching costs	47,993	<b>47,993</b>	182,201
Educational consultancy	68,385	<b>68,385</b>	89,369
Other supplies and services	7,491	<b>7,491</b>	9,657
Insurance	7,742	<b>7,742</b>	7,954
Other support costs	1,632	<b>1,632</b>	3,437
Staff redundancy costs	24,993	<b>24,993</b>	-
	<u>5,893,103</u>	<u><b>5,893,103</b></u>	<u>6,239,332</u>
<i>Total 2019</i>	<u>6,239,332</u>	<u>6,239,332</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	<b>Educational operations 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Defined benefit pension scheme finance cost	95,000	<b>95,000</b>	92,000
Staff costs	1,435,399	<b>1,435,399</b>	1,254,487
Depreciation	191,730	<b>191,730</b>	195,171
Building maintenance	134,631	<b>134,631</b>	81,620
Maintenance of plant and equipment	23,616	<b>23,616</b>	16,824
Grounds maintenance	19,057	<b>19,057</b>	20,005
Energy costs	87,868	<b>87,868</b>	109,962
Rent and rates	26,984	<b>26,984</b>	27,014
Insurance	19,139	<b>19,139</b>	23,511
Other occupancy costs	57,814	<b>57,814</b>	67,874
Catering	180,741	<b>180,741</b>	280,634
Other support costs	48,658	<b>48,658</b>	55,150
Agency support staff	-	-	28,772
Governance costs	41,283	<b>41,283</b>	54,740
	<u>2,361,920</u>	<u><b>2,361,920</b></u>	<u>2,307,764</u>
<i>Total 2019</i>	<u>2,307,764</u>	<u>2,307,764</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	<b>2020 £</b>	<i>2019 £</i>
Operating lease rentals	-	3,340
Depreciation of tangible fixed assets	<b>188,491</b>	191,123
Amortisation of intangible assets	<b>3,239</b>	4,048
Fees paid to auditors for:		
- audit	<b>9,850</b>	9,470
- other services	<b>2,920</b>	2,420

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,924,727	5,172,950
Social security costs	402,182	387,057
Pension costs	1,589,573	1,279,460
	6,916,482	6,839,467
Agency staff costs	47,993	210,973
Staff restructuring costs	24,993	-
	6,989,468	7,050,440
	2020 £	2019 £
Redundancy payments	19,659	-
Severance compensation payments	5,334	-
	24,993	-

b. Non-statutory/non-contractual staff severance payments

A non-statutory/non-contractual payment in compensation for termination of employment amounting to £5,334 was paid to 1 employee in the period.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	64	70
Administration and support	171	184
Management	5	5
	240	259

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11. Staff (continued)

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2020</b>	2019
	<b>No.</b>	No.
Teachers	<b>56</b>	64
Administration and support	<b>103</b>	135
Management	<b>5</b>	5
	<b>164</b>	204

**d. Higher paid staff**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	2
In the band £70,001 - £80,000	<b>4</b>	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	<b>1</b>	-

**e. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £489,383 (2019 £491,301).

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12. Central services

The Academy has provided the following central services to its academies during the year:

- Leadership and management support
- Finance management
- Audit and control services

The Academy charges for these services on the following basis:

4% of GAG income.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Fairchildes Primary School	84,711	83,339
Rowdown Primary School	58,434	57,634
Monks Orchard Primary School	80,049	84,203
<b>Total</b>	<b>223,194</b>	<b>225,176</b>

13. Trustees' remuneration and expenses

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

	2020 £	2019 £
Miss R Sandell, Executive Head Teacher and Remuneration	90,000 -	85,000 -
Accounting Officer	95,000	90,000
Pension contributions paid	20,000 -	10,000 -
	<b>25,000</b>	<b>15,000</b>

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined benefit pension schemes.

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

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £189 (2019 - £189). The cost of this insurance is included in the total insurance cost.

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15. Intangible assets

	<b>Software licences £</b>
<b>Cost</b>	
At 1 September 2019	20,485
At 31 August 2020	<u>20,485</u>
<b>Amortisation</b>	
At 1 September 2019	14,606
Charge for the year	3,239
At 31 August 2020	<u>17,845</u>
<b>Net book value</b>	
At 31 August 2020	<u>2,640</u>
<i>At 31 August 2019</i>	<u>5,879</u>

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16. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 September 2019	9,181,000	1,288,880	-	24,087	331,824	10,825,791
Additions	-	-	67,516	3,198	41,092	111,806
At 31 August 2020	<u>9,181,000</u>	<u>1,288,880</u>	<u>67,516</u>	<u>27,285</u>	<u>372,916</u>	<u>10,937,597</u>
<b>Depreciation</b>						
At 1 September 2019	287,699	207,093	-	12	211,088	705,892
Charge for the year	73,448	80,395	-	-	34,648	188,491
At 31 August 2020	<u>361,147</u>	<u>287,488</u>	<u>-</u>	<u>12</u>	<u>245,736</u>	<u>894,383</u>
<b>Net book value</b>						
At 31 August 2020	<u>8,819,853</u>	<u>1,001,392</u>	<u>67,516</u>	<u>27,273</u>	<u>127,180</u>	<u>10,043,214</u>
At 31 August 2019	<u>8,893,301</u>	<u>1,081,787</u>	<u>-</u>	<u>24,075</u>	<u>120,736</u>	<u>10,119,899</u>

17. Debtors

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	40,767	18,527
Other debtors	12,764	-
Prepayments and accrued income	54,776	72,677
Tax recoverable	6,801	18,178
Grants receivable	147,854	202,154
	<u>262,962</u>	<u>311,536</u>

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18. Creditors: Amounts falling due within one year

	<b>2020</b>	<b>2019</b>
	£	£
Other loans	8,927	8,544
Trade creditors	95,934	100,945
Other taxation and social security	98,214	107,099
Other creditors	95,514	-
Accruals and deferred income	346,111	275,371
	<b>644,700</b>	<b>491,959</b>
	<b>644,700</b>	<b>491,959</b>

	<b>2020</b>	<b>2019</b>
	£	£
Deferred income at 1 September 2019	221,863	282,059
Resources deferred during the year	250,127	221,863
Amounts released from previous periods	(221,863)	(282,059)
	<b>250,127</b>	<b>221,863</b>
	<b>250,127</b>	<b>221,863</b>

19. Creditors: Amounts falling due after more than one year

	<b>2020</b>	<b>2019</b>
	£	£
Other loans	48,108	57,418
	<b>48,108</b>	<b>57,418</b>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>2020</b>	<b>2019</b>
	£	£
Payable or repayable by instalments	-	16,787
	-	16,787
	-	16,787

The loans are from Salix Finance Limited, are interest free, unsecured and repayable in annual instalments.

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20. Financial instruments

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>1,178,023</b>	<b>609,330</b>

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

21. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds - all funds	<b>2,829</b>	<b>580</b>	-	-	-	<b>3,409</b>
<b>Restricted general funds</b>						
GAG	<b>353,163</b>	<b>5,604,396</b>	<b>(5,202,217)</b>	<b>(25,450)</b>	-	<b>729,892</b>
Pupil premium	-	<b>672,141</b>	<b>(672,141)</b>	-	-	-
Other ESFA funding	-	<b>437,912</b>	<b>(437,912)</b>	-	-	-
LA and other government funding	-	<b>843,572</b>	<b>(843,572)</b>	-	-	-
General	-	<b>241,451</b>	<b>(241,451)</b>	-	-	-
Pension reserve	<b>(4,939,000)</b>	-	<b>(666,000)</b>	-	<b>1,760,000</b>	<b>(3,845,000)</b>
	<b>(4,585,837)</b>	<b>7,799,472</b>	<b>(8,063,293)</b>	<b>(25,450)</b>	<b>1,760,000</b>	<b>(3,115,108)</b>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	<b>10,141,275</b>	<b>85,735</b>	<b>(191,730)</b>	<b>25,450</b>	-	<b>10,060,730</b>
<b>Total Restricted funds</b>	<b>5,555,438</b>	<b>7,885,207</b>	<b>(8,255,023)</b>	-	<b>1,760,000</b>	<b>6,945,622</b>

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21. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Total funds</b>	<b>5,558,267</b>	<b>7,885,787</b>	<b>(8,255,023)</b>	<b>-</b>	<b>1,760,000</b>	<b>6,949,031</b>

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

All funds originated from assets gifted by the predecessor school. In addition:

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the trust.

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the trust.

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.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Fairchildes Primary School	328,358	243,529
Rowdown Primary School	13,964	59,091
Monks Orchard Primary School	390,979	53,372
Total before fixed asset funds and pension reserve	733,301	355,992
Restricted fixed asset fund	10,060,730	10,141,275
Pension reserve	(3,845,000)	(4,939,000)
<b>Total</b>	<b>6,949,031</b>	<b>5,558,267</b>

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21. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	<b>Teaching and educational support staff costs</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2020</b>	<i>Total 2019</i>
	£	£	£	£	£	£
Fairchildes Primary School	2,482,469	767,242	151,357	329,513	<b>3,730,581</b>	3,697,615
Rowdown Primary School	1,457,353	326,051	161,442	179,695	<b>2,124,541</b>	2,071,346
Monks Orchard Primary School	1,589,254	342,106	109,662	305,632	<b>2,346,654</b>	2,808,141
Central services	-	-	-	(138,483)	<b>(138,483)</b>	(225,177)
<b>Academy</b>	<b>5,529,076</b>	<b>1,435,399</b>	<b>422,461</b>	<b>676,357</b>	<b>8,063,293</b>	<b>8,351,925</b>

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 - all funds	2,389	440	-	-	-	2,829
<b>Restricted general funds</b>						
GAG	218,045	5,740,473	(5,619,343)	13,988	-	353,163
Pupil premium	-	722,858	(722,858)	-	-	-
Other ESFA funding	-	243,522	(243,522)	-	-	-
LA and other government funding	-	952,128	(952,128)	-	-	-
General	-	373,074	(373,074)	-	-	-

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21. Statement of funds (continued)

	<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>
Pension reserve	(2,365,000)	(762,000)	(441,000)	-	(1,371,000)	(4,939,000)
	<u>(2,146,955)</u>	<u>7,270,055</u>	<u>(8,351,925)</u>	<u>13,988</u>	<u>(1,371,000)</u>	<u>(4,585,837)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	6,880,095	3,470,339	(195,171)	(13,988)	-	10,141,275
<b>Total Restricted funds</b>	<u>4,733,140</u>	<u>10,740,394</u>	<u>(8,547,096)</u>	<u>-</u>	<u>(1,371,000)</u>	<u>5,555,438</u>
<b>Total funds</b>	<u><u>4,735,529</u></u>	<u><u>10,740,834</u></u>	<u><u>(8,547,096)</u></u>	<u><u>-</u></u>	<u><u>(1,371,000)</u></u>	<u><u>5,558,267</u></u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	-	-	10,043,214	<b>10,043,214</b>
Intangible fixed assets	-	-	2,640	<b>2,640</b>
Current assets	3,409	1,422,700	14,876	<b>1,440,985</b>
Creditors due within one year	-	(644,700)	-	<b>(644,700)</b>
Creditors due in more than one year	-	(48,108)	-	<b>(48,108)</b>
Provisions for liabilities and charges	-	(3,845,000)	-	<b>(3,845,000)</b>
<b>Total</b>	<u><u>3,409</u></u>	<u><u>(3,115,108)</u></u>	<u><u>10,060,730</u></u>	<u><u>6,949,031</u></u>

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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	10,119,899	10,119,899
Intangible fixed assets	-	-	5,879	5,879
Current assets	2,829	902,540	15,497	920,866
Creditors due within one year	-	(491,959)	-	(491,959)
Creditors due in more than one year	-	(57,418)	-	(57,418)
Provisions for liabilities and charges	-	(4,939,000)	-	(4,939,000)
<b>Total</b>	<b>2,829</b>	<b>(4,585,837)</b>	<b>10,141,275</b>	<b>5,558,267</b>

23. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	<b>2020 £</b>	<b>2019 £</b>
Net (expenditure)/income for the period (as per Statement of Financial Activities)	<b>(369,236)</b>	2,193,738
<b>Adjustments for:</b>		
Depreciation	<b>191,730</b>	195,171
Capital grants from DfE and other capital income	<b>(85,735)</b>	(240,339)
Interest receivable	<b>(580)</b>	(440)
Defined benefit pension scheme cost less contributions payable	<b>570,000</b>	349,000
Defined benefit pension scheme finance cost	<b>95,000</b>	92,000
Decrease/(increase) in debtors	<b>48,574</b>	(161,421)
Increase/(decrease) in creditors	<b>152,358</b>	(7,203)
Non-cash assets gifted on conversion to academy status	-	(2,590,438)
Defined benefit pension scheme administration costs	<b>1,000</b>	-
<b>Net cash provided by/(used in) operating activities</b>	<b>603,111</b>	<b>(169,932)</b>

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24. Cash flows from financing activities

	2020	2019
	£	£
Cash inflows from new borrowing	-	36,091
Repayments of borrowing	(8,927)	(2,091)
Cash gifted on conversion	-	122,438
<b>Net cash (used in)/provided by financing activities</b>	<b>(8,927)</b>	<b>156,438</b>

25. Cash flows from investing activities

	2020	2019
	£	£
Dividends, interest and rents from investments	580	440
Purchase of intangible assets	-	(4,400)
Purchase of tangible fixed assets	(111,806)	(286,469)
Capital grants from DfE Group	85,735	240,339
<b>Net cash used in investing activities</b>	<b>(25,491)</b>	<b>(50,090)</b>

26. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	1,178,023	609,330
<b>Total cash and cash equivalents</b>	<b>1,178,023</b>	<b>609,330</b>

27. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	609,330	568,693	1,178,023
Debt due within 1 year	(8,544)	(383)	(8,927)
Debt due after 1 year	(57,418)	9,310	(48,108)
	<b>543,368</b>	<b>577,620</b>	<b>1,120,988</b>

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28. Capital commitments

	2020	2019
	£	£
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<b>106,185</b>	-

29. 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 London Borough of Croydon 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 August 2020.

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.

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.

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29. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £596,558 (2019 - £434,509).

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 £472,000 (2019 - £533,000), of which employer's contributions totalled £360,000 (2019 - £415,000) and employees' contributions totalled £ 112,000 (2019 - £118,000). The agreed contribution rates for future years are between 17.4 and 19.1 per cent for employers and 5.5 and 9.9 per cent for employees.

As described in note 1.12 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.

Principal actuarial assumptions

London Borough of Croydon Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	2.2	2.9
Rate of increase for pensions in payment/inflation	2.2	2.4
Discount rate for scheme liabilities	1.7	1.8

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	21.9	22.3
Females	23.9	24.4
<i>Retiring in 20 years</i>		
Males	22.5	24.0
Females	25.3	26.2

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29. Pension commitments (continued)

Sensitivity analysis

London Borough of Croydon Pension Fund

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Discount rate -0.1%	<b>214</b>	<i>207</i>
CPI rate +0.1%	<b>175</b>	<i>51</i>
	<b>=====</b>	<i>=====</i>

Share of scheme assets

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

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Equities	<b>3,437,000</b>	<i>2,582,000</i>
Corporate bonds	<b>1,182,000</b>	<i>958,000</i>
Property	<b>697,000</b>	<i>583,000</i>
Cash and other liquid assets	<b>54,000</b>	<i>42,000</i>
<b>Total market value of assets</b>	<b>5,370,000</b>	<i>4,165,000</i>
	<b>=====</b>	<i>=====</i>

The actual return on scheme assets was £852,000 (*2019 - £220,000*).

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

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Current service cost	<b>(930,000)</b>	<i>(764,000)</i>
Past service cost	<b>(1,000)</b>	<i>-</i>
Interest income	<b>77,000</b>	<i>101,000</i>
Interest cost	<b>(172,000)</b>	<i>(193,000)</i>
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,026,000)</b>	<i>(856,000)</i>
	<b>=====</b>	<i>=====</i>

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29. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	9,097,000	5,322,000
Conversion of academy trusts	-	1,198,000
Current service cost	930,000	764,000
Interest cost	172,000	193,000
Employee contributions	112,000	118,000
Actuarial (gains)/losses	(908,000)	1,591,000
Benefits paid	(196,000)	(89,000)
Past service costs	1,000	-
<b>At 31 August</b>	<b>9,208,000</b>	<b>9,097,000</b>

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

	2020 £	2019 £
At 1 September	4,165,000	2,964,000
Conversion of academy trusts	-	436,000
Interest income	77,000	101,000
Actuarial gains	852,000	220,000
Employer contributions	360,000	415,000
Employee contributions	112,000	118,000
Benefits paid	(196,000)	(89,000)
<b>At 31 August</b>	<b>5,370,000</b>	<b>4,165,000</b>

30. 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.

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31. Related party transactions

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