

Company Registration Number: 08934482 (England & Wales)

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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 2021**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**Reference and Administrative Information**

**Members:** Mrs RoseAnne Ellis  
Mrs Linda Cress  
Robert Hitchcock

**Directors / Trustees** Mrs RoseAnne Ellis (Chair of the Board of Trustees)  
Ms Natalie Perera  
Ms Kathleen Conroy (Left 24/03/2021)  
Mr Robert Hitchcock (Chair of Finance, Personnel & audit committee)  
Mr Stuart Bailey (Vice chair of the board of trustees)  
Ms Ros Sandell  
Mrs Debra MacCormack (appointed 10 December 2021)

**Company Secretary** Mrs Roxana Huque-Dowlet

**Senior Management Team**

Chief Executive Officer (CEO) & Accounting Officer	Ms Ros Sandell
Chief Financial Officer (CFO)	Mrs Roxana Huque-Dowlet
Head of School (Fairchildes Primary)	Ms Jo Hussey
Head of School (Rowdown Primary)	Ms Caroline Johnson
Headteacher (Monks Orchard Primary)	Mr Guy Fairbairn

**Company Name** Fairchildes Academy Community Trust

**Principal & Registered Office** Fairchildes Avenue  
New Addington  
Croydon  
Surrey, CR0 0AH

**Company Registration number** 08934482

**Bankers** Lloyds Bank  
25 Gresham Street  
London, EC2V 7HN

**Auditor** Landau Baker Ltd  
Mountcliff House  
154 Brent Street  
London, NW4 2DR

**Solicitors** Winckworth Sherwood  
Minerva House  
5 Montague Close  
London, SE1 9BB

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates three primary academies for pupils aged 3 to 10 serving a catchment area in Croydon. It has a pupil capacity of 1412 and had a roll of 1053 in the school census on 2021.

### **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 are also the directors of the charitable company for the purposes of company law. The charitable company operates as Fairchildes Academy Community Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on the preceding pages of this document.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them 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 academy.

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

The management of the trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The Executive Head teacher/CEO appointed by the trustees
- Trustees, appointed by the members
- Academy Committee members who are not trustees but local governors of each academy, appointed by the trustees

The term of office for any trustee is 4 years. The Executive headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new trustees will depend on their individual experience and expertise. 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 students. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

#### **Organisational Structure**

The Multi trust has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives who are 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.

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The Board of Trustees has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The executive headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Trustees are responsible for setting general policy, 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 Executive headteacher assumes the accounting officer role.

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

The Board has delegated the arrangement for setting the pay and remuneration for executive directors and senior management to Finance Personnel & Audit committee and the Chair of the Trust. This committee reviews the performance of the executive directors and ensures that succession planning is in line with the plans of the Trust.

This committee also sets the band of annual pay increases for all staff as guidelines for each of the academies. The Trust scheme of delegation sets out the responsibility for pay increases for all staff to the Executive headteacher and the Finance Personnel and Audit Committee.

**Trade Union Facility Time**

There was no time spent on Trade Union Facility

**Related Parties and other Connected Charities and Organisations**

There is no related parties or connected entities.

**Engagement with Employees (including disabled persons)**

The trust has less than 250 employees

**Engagement with Suppliers, Customers and Other in a Business Relationship with the Trust.**

The trust is a small company where two or more of the following does not apply in two consecutive financial years:

- *Gross annual income over £36m*
- *Gross (total) assets over £18m*
- *More than 250 employees*

**Objectives and Activities**

**Objects and Aims**

The principal object and activity of the academy is the operation of Fairchildes Academy Community Trust to provide a broad and balanced education for pupils of all abilities in the Croydon area. 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 academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Trust will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the Trust, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

**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 2021**

The main objectives of the trust 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 comply with all appropriate statutory and curriculum requirements;
- 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.

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 our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

As an academy 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.
- Providing community events.

#### **Strategic Report - Achievements and Performance**

##### **Key Performance Indicators**

Unfortunately, due to the cancellation again of the statutory end of key stage testing in the Summer of 2021, we have no data to give you to evidence performance at the three schools. However, despite the loss of teaching time over the last 18 months, the majority of our pupils will be able to "catch up" this year as they are working from a sound base. All schools have identified key areas for additional focus and support (in Key Academic Priority plans) and all are using the additional funding we have received to help achieve these goals, providing quality first teaching as well as additional sessions within and beyond school hours.

Pupil attendance has been similarly affected by the pandemic, but all schools are working hard to regain the good levels of attendance previously achieved.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Going Concern**

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

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.

**Promoting the Success of the Company**

The trust is a small company where two or more of the following apply in two consecutive financial years:

- *Gross annual income under £36m*
- *Gross (total) assets under £18m*
- *Less than 250 employees*

**Strategic Report - Financial Review**

**Finance Review**

Most of the Academy's income is obtained from the Education and Skills 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 period ended 31 August 2021 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 relates 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 2005), 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.

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Reserves 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

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free')

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £6,565,902. This balance includes unrestricted funds (free reserves) of £3,546, which are considered appropriate for the Academy Trust, and restricted funds of £855,060 and a pension deficit of £5,323,000.

The Board of trustees have determined that the appropriate level of free reserves should be a sum equivalent to 1 month's payroll, approximately £491,942 and an additional £100,000 due to the uncertainties of future Government spending. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £5,323,000 (2020: £3,845,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

**Investment Policy**

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2021, no investments were held.

**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 trust'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 have implemented a number of

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

systems to assess risks that the Academies face, 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 (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2021. 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.

**Fundraising**

The Trust does not engage in any formal fundraising

**Streamlined Energy and Carbon Reporting**

The trust is a small MAT and the following does not apply in two consecutive financial years, there is no requirement for reporting.

- Gross annual income over £36m
- Gross (total) assets over £18m
- More than 250 employees

**Plans for Future Periods**

*This must explain the plans for the future including the aims and key objectives set for future periods, together with details of any activities planned to achieve them.*

*It should explain the trustees' perspective of the future direction of the academy, how past experience has influenced future plans and decisions about allocating resources.*

**Funds Held as Custodian Trustee on Behalf of Others**

The trustees did not act as custodian trustee during the current or previous period.

**Auditor**

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2021 and signed on the board's behalf by:



Ms Natalie Perera

Trustee

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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 teacher as accounting officer], for ensuring financial controls conform to 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 six 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 R Ellis (Chair)	6	6
Mr R Hitchcock	5	6
Ms N Perera	5	6
Mrs K Conroy	1	4
Mr Stuart Bailey	6	6
Miss R Sandell	6	6

The Finance, Personnel and Audit committee is a sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the trust's financial management, staff salary review, Trust's governance, risk management, internal scrutiny and value for money framework.

The committee met five times during the year. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Hitchcock (Chair)	4	5
Mrs R Ellis	5	5
Mr Stuart	5	5
Ms N Perera	4	5

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**FAIRCHILDES ACADEMY COMMUNITY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of Value for Money**

As accounting officer, the executive headteacher 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 academy 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 or by using a framework where appropriate. 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 based qualified teachers 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 01 September 2020 to 31 August 2021 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 01 September 2021 to 31 August 2021 and up to the date of approval of the annual report and financial statements. The board of trustees regularly reviews this process.

**The Risk and Control Framework**

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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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The Risk and Control Framework (continued)

The board of trustees has decided:

- to buy-in an internal audit service from Academy Audit Ltd.

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

- Procurement
- Charge card testing
- Banking
- Management account review
- VAT review
- Review of staff expense claim
- Payroll testing
- Website review
- Fixed asset review
- Register of business interests review.

On a termly basis, the auditor reports to the board of trustees, through the Finance, Personnel and Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

#### **Review of Effectiveness**

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

- the work of the internal auditor / reviewer
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel and Audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2021 and signed on their behalf by:



**Natalie Perera**  
Trustee



**Rosalind Sandell**  
Accounting Officer

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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 2020.

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 2020.

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: 10 December 2021

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

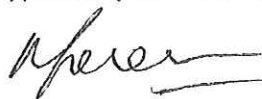
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 10 December 2021 and signed on its behalf by:



Natalie Perera  
Trustee

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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 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**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.

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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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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

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.

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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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**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 Auditors

Mountcliff House

154 Brent Street

London

NW4 2DR

10 December 2021

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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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2020 to 31 August 2021 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: 10 December 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants:	3					
Other donations and capital grants		-	-	165,400	165,400	26,677
Charitable activities		-	7,312,999	-	7,312,999	7,617,079
Other trading activities		-	167,637	-	167,637	241,451
Investments	6	137	-	-	137	580
<b>Total income</b>		<b>137</b>	<b>7,480,636</b>	<b>165,400</b>	<b>7,646,173</b>	<b>7,885,787</b>
<b>Expenditure on:</b>						
Charitable activities	8	-	8,001,717	223,237	8,224,954	8,255,023
<b>Total expenditure</b>		<b>-</b>	<b>8,001,717</b>	<b>223,237</b>	<b>8,224,954</b>	<b>8,255,023</b>
<b>Net income/(expenditure)</b>		<b>137</b>	<b>(521,081)</b>	<b>(57,837)</b>	<b>(578,781)</b>	<b>(369,236)</b>
Transfers between funds	21	-	(27,403)	27,403	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>137</b>	<b>(548,484)</b>	<b>(30,434)</b>	<b>(578,781)</b>	<b>(369,236)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	29	-	(847,000)	-	(847,000)	1,760,000
<b>Net movement in funds</b>		<b>137</b>	<b>(1,395,484)</b>	<b>(30,434)</b>	<b>(1,425,781)</b>	<b>1,390,764</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		3,409	(3,115,108)	10,060,730	6,949,031	5,558,267
Net movement in funds		137	(1,395,484)	(30,434)	(1,425,781)	1,390,764
<b>Total funds carried forward</b>		<b>3,546</b>	<b>(4,510,592)</b>	<b>10,030,296</b>	<b>5,523,250</b>	<b>6,949,031</b>

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

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

The notes on pages 26 to 54 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible Assets	15	1,760	2,640
Tangible assets	16	10,013,206	10,043,214
		<u>10,014,966</u>	<u>10,045,854</u>
<b>Current assets</b>			
Debtors	17	197,896	262,962
Cash at bank and in hand		1,223,755	1,178,023
		<u>1,421,651</u>	<u>1,440,985</u>
Creditors: amounts falling due within one year	18	(537,290)	(644,700)
<b>Net current assets</b>		<u>884,361</u>	<u>796,285</u>
<b>Total assets less current liabilities</b>		<u>10,899,327</u>	<u>10,842,139</u>
Creditors: amounts falling due after more than one year	19	(53,077)	(48,108)
<b>Net assets excluding pension liability</b>		<u>10,846,250</u>	<u>10,794,031</u>
Defined benefit pension scheme liability	29	(5,323,000)	(3,845,000)
<b>Total net assets</b>		<u><u>5,523,250</u></u>	<u><u>6,949,031</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	10,030,296	10,060,730
Restricted income funds	21	812,408	729,892
		<u>10,842,704</u>	<u>10,790,622</u>
Restricted funds excluding pension asset	21	10,842,704	10,790,622
Pension reserve	21	(5,323,000)	(3,845,000)
<b>Total restricted funds</b>	21	<u>5,519,704</u>	<u>6,945,622</u>
<b>Unrestricted income funds</b>	21	<u>3,546</u>	<u>3,409</u>
<b>Total funds</b>		<u><u>5,523,250</u></u>	<u><u>6,949,031</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 2021

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The financial statements on pages 21 to 54 were approved by the Trustees, and authorised for issue on 10 December 2021 and are signed on their behalf, by:



Natalie Perera  
Trustee

The notes on pages 26 to 54 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 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	64,101	603,111
<b>Cash flows from investing activities</b>	25	(26,812)	(25,491)
<b>Cash flows from financing activities</b>	24	8,443	(8,927)
<b>Change in cash and cash equivalents in the year</b>		45,732	568,693
Cash and cash equivalents at the beginning of the year		1,178,023	609,330
<b>Cash and cash equivalents at the end of the year</b>	26, 27	<u>1,223,755</u>	<u>1,178,023</u>

The notes on pages 26 to 54 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 2021**

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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 2020 to 2021 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.

• **Donations**

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

• **Other income**

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

• **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

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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 2021**

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1. Accounting policies (continued)

**1.3 Income (continued)**

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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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1. Accounting policies (continued)

**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:

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.

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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 2021**

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1. Accounting policies (continued)

**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.

**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.

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

**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.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
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3. Income from donations and capital grants (continued)

	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Assets gifted by DfE/ESFA	59,500	<b>59,500</b>	-
Capital Grants	105,900	<b>105,900</b>	26,677
	<u>165,400</u>	<u><b>165,400</b></u>	<u>26,677</u>
<i>Total 2020</i>	<u>26,677</u>	<u><b>26,677</b></u>	

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4. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>DfE/ESFA grants</b>			
GAG	5,330,537	5,330,537	5,604,396
Other DfE/ESFA grants			
UIFSM	100,258	100,258	109,470
Pupil premium	643,393	643,393	672,141
Others	307,985	307,985	328,442
	<u>6,382,173</u>	<u>6,382,173</u>	<u>6,714,449</u>
<b>Other Government grants</b>			
Local authority grants	738,952	738,952	843,572
	<u>738,952</u>	<u>738,952</u>	<u>843,572</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up Premium	86,320	86,320	-
Other DfE/ESFA Covid-19 funding	11,229	11,229	59,058
	<u>97,549</u>	<u>97,549</u>	<u>59,058</u>
<b>COVID-19 additional funding (non-DfE/ESFA)</b>			
Other Covid-19 funding	94,325	94,325	-
	<u>94,325</u>	<u>94,325</u>	<u>-</u>
	<u>7,312,999</u>	<u>7,312,999</u>	<u>7,617,079</u>
<i>Total 2020</i>	<u>7,617,079</u>	<u>7,617,079</u>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The trusty received £86,320 of funding for catch-up premium and costs incurred in respect of this funding totalled £30,720, with the remaining £55,600 to be spent in 2021/22.

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5. Income from other trading activities

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Catering	73,389	<b>73,389</b>	82,187
Lettings	34,689	<b>34,689</b>	36,646
After school clubs	31,449	<b>31,449</b>	66,980
Trips	6,236	<b>6,236</b>	26,892
Other income	21,874	<b>21,874</b>	28,746
	<u>167,637</u>	<u><b>167,637</b></u>	<u>241,451</u>
<i>Total 2020</i>	<u>241,451</u>	<u><b>241,451</b></u>	

6. Investment income

	<b>Unrestrict ed funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Investment income	137	<b>137</b>	580
	<u>137</u>	<u><b>137</b></u>	<u>580</u>
<i>Total 2020</i>	<u>580</u>	<u><b>580</b></u>	

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7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational operations:					
Direct costs	5,370,778	-	366,530	<b>5,737,308</b>	5,893,103
Allocated support costs	1,423,234	494,930	569,482	<b>2,487,646</b>	2,361,920
	<u>6,794,012</u>	<u>494,930</u>	<u>936,012</u>	<u><b>8,224,954</b></u>	<u>8,255,023</u>
<i>Total 2020</i>	<u><u>6,989,468</u></u>	<u><u>478,969</u></u>	<u><u>786,586</u></u>	<u><u>8,255,023</u></u>	

In the current year, the non-cash pension costs have been re-allocated to a separate line within the Support Costs Note 9. This cost used to be included within the Staff Costs line within this Note. In turn, the Expenditure Note 7 has been updated to reflect this change and the Staff costs Note 11a no longer includes these non-cash pension costs. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

8. Analysis of expenditure on charitable activities

**Summary by fund type**

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	<u>8,224,954</u>	<u><b>8,224,954</b></u>	<u>8,255,023</u>
<i>Total 2020</i>	<u><u>8,255,023</u></u>	<u><u>8,255,023</u></u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	5,737,308	2,487,646	<b>8,224,954</b>	8,255,023
<i>Total 2020</i>	<u>5,893,103</u>	<u>2,361,920</u>	<u><b>8,255,023</b></u>	

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	5,240,082	<b>5,240,082</b>	5,481,083
Educational non-ICT expenditure	203,756	<b>203,756</b>	177,225
Educational ICT expenditure	62,292	<b>62,292</b>	65,116
Staff development and training	19,341	<b>19,341</b>	11,443
Supply teaching costs	121,012	<b>121,012</b>	47,993
Educational consultancy	63,561	<b>63,561</b>	68,385
Other supplies and services	17,580	<b>17,580</b>	16,865
Staff redundancy costs	9,684	<b>9,684</b>	24,993
	<u>5,737,308</u>	<u><b>5,737,308</b></u>	<u>5,893,103</u>
<i>Total 2020</i>	<u>5,893,103</u>	<u><b>5,893,103</b></u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Defined benefit pension scheme finance cost	70,000	<b>70,000</b>	95,000
Staff costs	862,043	<b>862,043</b>	865,399
Depreciation	223,237	<b>223,237</b>	191,730
Building maintenance	56,421	<b>56,421</b>	134,631
Maintenance of plant and equipment	18,860	<b>18,860</b>	23,616
Grounds maintenance	20,706	<b>20,706</b>	19,057
Energy costs	121,727	<b>121,727</b>	87,868
Rent and rates	86,971	<b>86,971</b>	36,188
Insurance	18,996	<b>18,996</b>	19,139
Other occupancy costs	51,213	<b>51,213</b>	48,610
Catering	283,679	<b>283,679</b>	180,741
Other support costs	66,243	<b>66,243</b>	48,658
Agency support staff	191	<b>191</b>	-
Non-cash pension costs	561,000	<b>561,000</b>	570,000
Governance costs	46,359	<b>46,359</b>	41,283
	<u>2,487,646</u>	<u><b>2,487,646</b></u>	<u>2,361,920</u>
<i>Total 2020</i>	<u>2,361,920</u>	<u>2,361,920</u>	

In the current year, the non-cash pension costs have been re-allocated to a separate line within the Support Costs Note 9. This cost used to be included within the Staff Costs line within this Note. In turn, the Expenditure Note 7 has been updated to reflect this change and the Staff costs Note 11a no longer includes these non-cash pension costs. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	222,357	188,491
Amortisation of intangible assets	880	3,239
Fees paid to auditors for:		
- audit	10,145	9,850
- other services	3,005	2,920
	<u>          </u>	<u>          </u>

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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,783,955	4,924,727
Social security costs	395,318	402,182
Pension costs	922,852	1,019,573
	<u>6,102,125</u>	<u>6,346,482</u>
Agency staff costs	121,203	47,993
Staff restructuring costs	9,684	24,993
Non-cash pension costs	561,000	570,000
	<u><u>6,794,012</u></u>	<u><u>6,989,468</u></u>

In the current year, the non-cash pension costs have been re-allocated to a separate line within the Support Costs Note 9. This cost used to be included within the Staff Costs line within this Note. In turn, the Expenditure Note 7 has been updated to reflect this change and the Staff costs Note 11a no longer includes these non-cash pension costs. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

	2021 £	2020 £
Redundancy payments	-	19,659
Severance compensation payments	9,684	5,334
	<u><u>9,684</u></u>	<u><u>24,993</u></u>

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

A non-statutory/non-contractual payment in compensation for termination of employment amounting to £9,684 was paid to 1 employee during the period (2020: £5,334 was paid to 1 employee in the previous period).

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11. Staff (continued)

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	58	64
Administration and support	152	171
Management	5	5
	<u>215</u>	<u>240</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	53	56
Administration and support	111	103
Management	5	5
	<u>169</u>	<u>164</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	3	4
In the band £90,001 - £100,000	1	1
	<u>5</u>	<u>6</u>

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page . 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 £494,906 (2020 £489,383).

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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:

4.5% of GAG income (2020: 4%)

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Fairchildes Primary School	95,774	84,711
Rowdown Primary School	72,695	58,434
Monks Orchard Primary School	70,222	80,049
<b>Total</b>	<b>238,691</b>	<b>223,194</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:

	2021 £	2020 £
Miss R Sandell, Executive Head Teacher and Remuneration	95,000 -	90,000 -
Accounting Officer	100,000	95,000
Pension contributions paid	20,000 -	20,000 -
	25,000	25,000

During the year, retirement benefits were accruing to 1 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £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 2021 was £208 (2020 - £189). The cost of this insurance is included in the total insurance cost.

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15. Intangible assets

	Software licences £
<b>Cost</b>	
At 1 September 2020	20,485
At 31 August 2021	<u>20,485</u>
<b>Amortisation</b>	
At 1 September 2020	17,845
Charge for the year	880
At 31 August 2021	<u>18,725</u>
<b>Net book value</b>	
At 31 August 2021	<u><u>1,760</u></u>
At 31 August 2020	<u><u>2,640</u></u>

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16. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Assets under construction £	Computer & furniture equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2020	9,181,000	1,356,396	-	400,201	10,937,597
Additions	-	-	113,307	79,042	192,349
Disposals	-	-	-	(2,671)	(2,671)
At 31 August 2021	9,181,000	1,356,396	113,307	476,572	11,127,275
<b>Depreciation</b>					
At 1 September 2020	361,147	287,488	-	245,748	894,383
Charge for the year	73,448	89,240	-	59,669	222,357
On disposals	-	-	-	(2,671)	(2,671)
At 31 August 2021	434,595	376,728	-	302,746	1,114,069
<b>Net book value</b>					
At 31 August 2021	8,746,405	979,668	113,307	173,826	10,013,206
At 31 August 2020	8,819,853	1,068,908	-	154,453	10,043,214

17. Debtors

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	9,716	40,767
Other debtors	635	12,764
Prepayments	46,549	54,776
Tax recoverable	15,427	6,801
Grants receivable	125,569	147,854
	197,896	262,962

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18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	12,400	8,927
Trade creditors	55,914	95,934
Other taxation and social security	104,054	98,214
Other creditors	4,141	95,514
Accruals and deferred income	360,781	346,111
	<u>537,290</u>	<u>644,700</u>
	2021 £	2020 £
Deferred income at 1 September 2020	250,127	221,863
Resources deferred during the year	250,482	250,127
Amounts released from previous periods	(250,127)	(221,863)
	<u>250,482</u>	<u>250,127</u>

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

	2021 £	2020 £
Other loans	<u>53,077</u>	<u>48,108</u>

The loans are from:

Salix Finance Limited - 2 loans for a total of £39,181, are interest free, unsecured and repayable in annual instalments of £8,927; and  
Condition Improvement Fund (CIF) - 1 loan for £13,896 bearing interest at 2.31% per annum, unsecured and repayable in annual instalments of £3,474.

20. Financial instruments

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<u>1,223,755</u>	<u>1,178,023</u>

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

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21. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General Funds - all funds	3,409	137	-	-	-	3,546
<b>Restricted general funds</b>						
GAG	729,892	5,330,537	(5,276,218)	(27,403)	-	756,808
UIFSM	-	100,258	(100,258)	-	-	-
Pupil premium	-	643,393	(643,393)	-	-	-
Catch-up premium	-	86,320	(30,720)	-	-	55,600
Other DfE/ESFA Covid-19 funding	-	11,229	(11,229)	-	-	-
Other Covid-19 funding	-	94,325	(94,325)	-	-	-
Other grants	-	1,046,937	(1,046,937)	-	-	-
General	-	167,637	(167,637)	-	-	-
Pension reserve	(3,845,000)	-	(631,000)	-	(847,000)	(5,323,000)
	<u>(3,115,108)</u>	<u>7,480,636</u>	<u>(8,001,717)</u>	<u>(27,403)</u>	<u>(847,000)</u>	<u>(4,510,592)</u>
<b>Restricted fixed asset funds</b>						
Class II Restricted Funds - all funds	10,060,730	165,400	(223,237)	27,403	-	10,030,296
<b>Total Restricted funds</b>	<u>6,945,622</u>	<u>7,646,036</u>	<u>(8,224,954)</u>	<u>-</u>	<u>(847,000)</u>	<u>5,519,704</u>
<b>Total funds</b>	<u><u>6,949,031</u></u>	<u><u>7,646,173</u></u>	<u><u>(8,224,954)</u></u>	<u><u>-</u></u>	<u><u>(847,000)</u></u>	<u><u>5,523,250</u></u>

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:

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21. Statement of funds (continued)

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 the 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 2021.

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Unrestricted funds</b>						
General Funds - all funds	2,829	580	-	-	-	3,409
<b>Restricted general funds</b>						
GAG	353,163	5,604,396	(5,202,217)	(25,450)	-	729,892
UIFSM	-	672,141	(672,141)	-	-	-
Pupil premium	-	437,912	(437,912)	-	-	-
Catch-up premium	-	843,572	(843,572)	-	-	-
Other DfE/ESFA Covid-19 funding	-	241,451	(241,451)	-	-	-
Pension reserve	(4,939,000)	-	(666,000)	-	1,760,000	(3,845,000)
	<u>(4,585,837)</u>	<u>7,799,472</u>	<u>(8,063,293)</u>	<u>(25,450)</u>	<u>1,760,000</u>	<u>(3,115,108)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	10,141,275	85,735	(191,730)	25,450	-	10,060,730

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21. Statement of funds (continued)

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Total Restricted funds</b>	5,555,438	7,885,207	(8,255,023)	-	1,760,000	6,945,622
<b>Total funds</b>	5,558,267	7,885,787	(8,255,023)	-	1,760,000	6,949,031

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021 £</b>	<b>2020 £</b>
Fairchildes Primary School	367,906	328,358
Rowdown Primary School	73,019	13,964
Monks Orchard Primary School	375,029	390,979
Total before fixed asset funds and pension reserve	815,954	733,301
Restricted fixed asset fund	10,030,296	10,060,730
Pension reserve	(5,323,000)	(3,845,000)
<b>Total</b>	<b>5,523,250</b>	<b>6,949,031</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:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Fairchildes Primary School	2,446,460	749,508	159,593	439,711	3,795,272	3,815,292
Rowdown Primary School	1,511,848	347,038	129,245	306,204	2,294,335	2,124,541
Monks Orchard Primary School	1,412,470	326,688	77,692	333,951	2,150,801	2,346,654
Central services	-	-	-	(238,691)	(238,691)	(223,194)
<b>Academy</b>	<b>5,370,778</b>	<b>1,423,234</b>	<b>366,530</b>	<b>841,175</b>	<b>8,001,717</b>	<b>8,063,293</b>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestrict ed funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	10,013,206	10,013,206
Intangible fixed assets	-	-	1,760	1,760
Current assets	3,546	1,402,775	15,330	1,421,651
Creditors due within one year	-	(537,290)	-	(537,290)
Creditors due in more than one year	-	(53,077)	-	(53,077)
Provisions for liabilities and charges	-	(5,323,000)	-	(5,323,000)
<b>Total</b>	<b>3,546</b>	<b>(4,510,592)</b>	<b>10,030,296</b>	<b>5,523,250</b>

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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

23. Reconciliation of net expenditure to net cash flow from operating activities

	<b>2021 £</b>	<b>2020 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(578,781)</b>	<b>(369,236)</b>
<b>Adjustments for:</b>		
Amortisation	<b>880</b>	<b>3,239</b>
Depreciation	<b>222,357</b>	<b>188,491</b>
Capital grants from DfE and other capital income	<b>(165,400)</b>	<b>(85,735)</b>
Interest receivable	<b>(137)</b>	<b>(580)</b>
Defined benefit pension scheme cost less contributions payable	<b>561,000</b>	<b>570,000</b>
Defined benefit pension scheme finance cost	<b>70,000</b>	<b>95,000</b>
Decrease in debtors	<b>65,066</b>	<b>48,574</b>
(Decrease)/increase in creditors	<b>(110,884)</b>	<b>152,358</b>
Defined benefit pension scheme past service costs	<b>-</b>	<b>1,000</b>
<b>Net cash provided by operating activities</b>	<b>64,101</b>	<b>603,111</b>

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24. Cash flows from financing activities

	2021 £	2020 £
Cash inflows from new borrowing	17,370	-
Repayments of borrowing	(8,927)	(8,927)
<b>Net cash provided by/(used in) financing activities</b>	<b>8,443</b>	<b>(8,927)</b>

25. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	137	580
Purchase of tangible fixed assets	(192,349)	(111,806)
Capital grants from DfE Group	165,400	85,735
<b>Net cash used in investing activities</b>	<b>(26,812)</b>	<b>(25,491)</b>

26. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,223,755	1,178,023
<b>Total cash and cash equivalents</b>	<b>1,223,755</b>	<b>1,178,023</b>

27. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,178,023	45,732	1,223,755
Debt due within 1 year	(8,927)	(3,473)	(12,400)
Debt due after 1 year	(48,108)	(4,969)	(53,077)
	<b>1,120,988</b>	<b>37,290</b>	<b>1,158,278</b>

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28. Capital commitments

	2021 £	2020 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	106,185
	<u>          </u>	<u>          </u>

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 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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29. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £568,771 (2020 - £596,558).

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 2021 was £480,000 (2020 - £472,000), of which employer's contributions totalled £363,000 (2020 - £360,000) and employees' contributions totalled £ 117,000 (2020 - £112,000). 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 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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29. Pension commitments (continued)

Principal actuarial assumptions

London Borough of Croydon Pension Fund

	2021	2020
	%	%
Rate of increase in salaries	2.90	2.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.3	23.9
<i>Retiring in 20 years</i>		
Males	23.0	22.5
Females	26.0	25.3

Sensitivity analysis

London Borough of Croydon Pension Fund

	2021	2020
	£000	£000
Discount rate -0.1%	270	214
Mortality assumption - 1 year increase	482	-
CPI rate +0.1%	258	175

Share of scheme assets

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

	2021	2020
	£	£
Equities	4,505,000	3,437,000
Corporate bonds	1,278,000	1,182,000
Property	807,000	697,000
Cash and other liquid assets	135,000	54,000
<b>Total market value of assets</b>	<b>6,725,000</b>	<b>5,370,000</b>

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29. Pension commitments (continued)

The actual return on scheme assets was £900,000 (2020 - £852,000).

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

	2021 £	2020 £
Current service cost	(924,000)	(930,000)
Past service cost	-	(1,000)
Interest income	94,000	77,000
Interest cost	(164,000)	(172,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(994,000)</b>	<b>(1,026,000)</b>

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

	2021 £	2020 £
At 1 September	9,215,000	9,104,000
Current service cost	924,000	930,000
Interest cost	164,000	172,000
Employee contributions	117,000	112,000
Actuarial losses/(gains)	1,747,000	(908,000)
Benefits paid	(119,000)	(196,000)
Past service costs	-	1,000
<b>At 31 August</b>	<b>12,048,000</b>	<b>9,215,000</b>

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

	2021 £	2020 £
At 1 September	5,370,000	4,165,000
Interest income	94,000	77,000
Actuarial gains	900,000	852,000
Employer contributions	363,000	360,000
Employee contributions	117,000	112,000
Benefits paid	(119,000)	(196,000)
<b>At 31 August</b>	<b>6,725,000</b>	<b>5,370,000</b>

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**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.

**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.