
FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

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FAIRCHILDES ACADEMY COMMUNITY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022

Members: Mrs RoseAnne Ellis
Mrs Linda Cress
Robert Hitchcock

Directors / Trustees Mrs RoseAnne Ellis (Chair of the Board of Trustees)
Mr Stuart Bailey (Vice chair of the board of trustees)
Ms Ros Sandell (CEO)
Mrs Debby MacCormack (joined 10/12/2021)
Ms Julie Johnson (joined on 26 May 2022)
Mr Dave King (Joined 13/07/2022)
Mr Robert Hitchcock (Left 18/05/2022)
Ms Natalie Patel (left 31/08/2022)
Ms Jyothi Menon (joined 07/12/2022)

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

FAIRCHILDES ACADEMY COMMUNITY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy 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 in January 2022.

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 academy 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 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 governors 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 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.

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 headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, Governance and Management (continued)

Organisational Structure (continued)

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 pay committees. The Trust scheme of delegation sets out the responsibility for pay increases for all staff to the Principal and the pay 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.

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 the community 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

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 a trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national charities.
- Sports Leader programmes that provide sporting activities to local Primary Schools Providing community events

Strategic Report - Achievements and Performance

All schools were able to effectively use the catch up funding streams provided last year for additional external staff to provide tutoring for pupils , as well as school staff being able to tutor groups as an after school provision.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report - Achievements and Performance (continued)

Summer 2022	Fairchildes	Rowdown	Monks Orchard	National 2022
Early years Good Level of Development %	71%	62%	65%	65.2%
Phonics yr 1 %	76%	66%	74%	75.7%
Phonics yr 2 %	86%	89%	96%	46.8%

Whilst the full impact of Covid cannot yet be fully realised, the immediate issues were addressed by all schools: speech and language support for younger pupils, additional phonics provision and support for early reading and writing for younger children, and targeted support for key stage two children where progress data and work scrutiny showed clear gaps in learning that needed to be addressed.

Much of this support is continuing this year, but we were pleased with the outcomes for pupils last year given the major disruption all had suffered.

There are key academic priorities identified by all schools this year that include improving outcomes for our pupil premium and SEND pupils, targeting further improvements in reading outcomes for all pupils, improving grammar, spelling and punctuation use across all pupils, that will in turn impact writing, and also looking to improve mathematical recall, that obviously includes times tables.

All schools will also continue to support all our children and families through our learning mentors and counselling service provision. Our Inclusion/Pastoral support staff teams were invaluable during Covid and their support remains as much needed now as ever and will also impact on the improving attendance figures.

Key performance Indicators

Summer 2022 results for Early Years, Phonics and Key stages one and two (Yrs 2 & 6)

Key Stage One (yr 2)	Fairchildes	Rowdown	MOPS	National 2022
% Ex Standard + Reading	75%	73%	68%	68%
% Greater Depth Reading	28%	16%	24%	
% Ex Standard + Writing	70%	64%	68%	59%
% GD Writing	17%	2%	4%	
% Ex Standard + Maths	82%	80%	56%	70%
% GD Maths	28%	9%	4%	

KS2 (yr 6)	Fairchildes	Rowdown	MOPS	National
% Ex Standard + Reading	79%	69%	65%	74%
% GD Reading	26%	20%	15%	
% Ex Standard + Writing	87%	71%	70%	69%
% GD Writing	23%	16%	11%	
% Ex Standard + Maths	85%	67%	*71%	71%
% GD Maths	11%	12%	22%	
% Ex Standard + combined RWM	68%	59%	*54%	59%
% GD combined RWM	8%	10%	9%	

2021-22 Attendance	Fairchildes	Rowdown	Monks Orchard
Total for year	92.4%	90.1%	92.9%
% of Persistent absence	22.4%	35.4%	18%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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.

The finance committee and the board of trustees meet regularly to discuss the financial performance of the trust.

The trust also review the risk register in every board meeting. The main risk to the trust is the falling roll.

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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Reserves Policy (continued)

Total funds at the end of the period amounted to £10,153,959. This balance includes restricted fixed asset fund of £9,839,303, unrestricted funds (free reserves) of £3,693, which are considered appropriate for the Academy Trust, and restricted funds of £1,057,963 and a pension deficit of £747,000.

The board of trustees have determined that the appropriate level of reserve should be a sum equivalent to one month's payroll commitment, covering inflation, unexpected costings, and 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 unexpected emergencies.

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 £747,000 (2021: £5,323,000). This deficit does not lead to an immediate liability. Similarly, if there were a pension surplus 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 2022, 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 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 2022. 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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and / or its 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 7 December 2022 and signed on the board's behalf by:



Mrs RoseAnne Ellis
Chair of Trustees

FAIRCHILDES ACADEMY COMMUNITY TRUST
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GOVERNANCE STATEMENT

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mrs R Ellis (Chair)	6	6
Mr S Bailey (Vice Chair)	5	6
Miss R Sandell (Accounting Officer)	6	6
Mr R Hitchcock (Chair of finance committee)	3	5
Ms N Perera	4	6
Mrs D MacCormack	3	3
Ms J Johnson	1	1
Mr Dave King	6	6

The trust uses a software called The trust Governors to record registration of the trustees, meetings and minutes, documents, declaration of business interest and self-evaluation records. All trustees have access to the software and is a requirement for them to maintain an up to date and complete register of pecuniary interests.

Annual governance self-evaluation reviews are undertaken regularly and discussed in the board meeting and if required providing training through Governors services outsourced by Local authority.

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.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Hitchcock (Chair)	3	4
Mrs R Ellis	5	5
Mr S Bailey	4	5
Ms N Perera	3	5
Ms R Sandell	5	5

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GOVERNANCE STATEMENT (CONTINUED)

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 2021 to 31 August 2022 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 [insert the start date of the period for which the financial statements have been prepared] to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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.

The board of trustees has decided:

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 7 December 2022 and signed on their behalf by:



Mrs RoseAnne Ellis
Chair of Trustees



Ms Rosalind Sandell
Accounting Officer

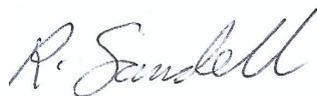
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Fairchildes Academy Community Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and 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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.



Ms Rosalind Sandell
Accounting Officer
Date: 7 December 2022

FAIRCHILDES ACADEMY COMMUNITY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- 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 7 December 2022 and signed on its behalf by:



Mrs RoseAnne Ellis
Chair of Trustees

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

Opinion

We have audited the financial statements of Fairchildes Academy Community Trust (the 'academy') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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.

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

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

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 Statement of Trustees' Responsibilities, 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.

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

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

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's 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. This description forms part of our Auditors' Report.

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

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

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.



Jake Lew (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

7 December 2022

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

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

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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

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

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 2021 to 31 August 2022 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: 7 December 2022

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	58,831	58,831	165,400
Other trading activities	5	-	238,849	-	238,849	167,637
Investments	6	147	-	-	147	137
Charitable activities	4	-	7,278,517	-	7,278,517	7,312,999
Total income		147	7,517,366	58,831	7,576,344	7,646,173
Expenditure on:						
Charitable activities	8	-	8,204,265	238,370	8,442,635	8,224,954
Total expenditure		-	8,204,265	238,370	8,442,635	8,224,954
Net income/(expenditure)		147	(686,899)	(179,539)	(866,291)	(578,781)
Transfers between funds	19	-	11,454	(11,454)	-	-
Net movement in funds before other recognised gains/(losses)		147	(675,445)	(190,993)	(866,291)	(578,781)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	5,497,000	-	5,497,000	(847,000)
Net movement in funds		147	4,821,555	(190,993)	4,630,709	(1,425,781)
Reconciliation of funds:						
Total funds brought forward		3,546	(4,510,592)	10,030,296	5,523,250	6,949,031
Net movement in funds		147	4,821,555	(190,993)	4,630,709	(1,425,781)
Total funds carried forward		3,693	310,963	9,839,303	10,153,959	5,523,250

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

The notes on pages 22 to 44 form part of these financial statements.

FAIRCHILDES ACADEMY COMMUNITY TRUST

(A Company Limited by Guarantee)

REGISTERED NUMBER: 08934482

**BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	880	1,760
Tangible assets	15	9,838,423	10,013,206
		9,839,303	10,014,966
Current assets			
Debtors	16	192,091	197,896
Cash at bank and in hand		1,418,354	1,223,755
		1,610,445	1,421,651
Creditors: amounts falling due within one year	17	(508,144)	(537,290)
Net current assets		1,102,301	884,361
Total assets less current liabilities		10,941,604	10,899,327
Creditors: amounts falling due after more than one year	18	(40,645)	(53,077)
Net assets excluding pension liability		10,900,959	10,846,250
Defined benefit pension scheme liability	26	(747,000)	(5,323,000)
Total net assets		10,153,959	5,523,250
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	9,839,303	10,030,296
Restricted income funds	19	1,057,963	812,408
		10,897,266	10,842,704
Restricted funds excluding pension asset	19	10,897,266	10,842,704
Pension reserve	19	(747,000)	(5,323,000)
		10,150,266	5,519,704
Total restricted funds	19	10,150,266	5,519,704
Unrestricted income funds	19	3,693	3,546
Total funds		10,153,959	5,523,250

The financial statements on pages 19 to 44 were approved by the Trustees, and authorised for issue on 07 December 2022 and are signed on their behalf, by:



Mrs RoseAnne Ellis
Chair of Trustees

The notes on pages 22 to 44 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	210,760	64,101
Cash flows from investing activities	23	(3,729)	(26,812)
Cash flows from financing activities	22	(12,432)	8,443
Change in cash and cash equivalents in the year		194,599	45,732
Cash and cash equivalents at the beginning of the year		1,223,755	1,178,023
Cash and cash equivalents at the end of the year	24, 25	1,418,354	1,223,755

The notes on pages 22 to 44 form part of these financial statements

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022 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.

• **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **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.

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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 and are subsequently measured at cost net of amortisation and any provision for impairment.

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:

Computer software	- 5 years
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FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

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.

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 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 26, 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 2022. 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

	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Assets gifted by DfE/ESFA	34,366	34,366	59,500
Capital Grants	24,465	24,465	105,900
	<u>58,831</u>	<u>58,831</u>	<u>165,400</u>
Total 2021	<u>165,400</u>	<u>165,400</u>	

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	5,564,598	5,564,598	5,330,537
Other DfE/ESFA grants			
UIFSM	82,829	82,829	100,258
Pupil premium	637,001	637,001	643,393
Others	100,516	100,516	307,985
	6,384,944	6,384,944	6,382,173
Other Government grants			
Local authority grants	708,988	708,988	738,952
	708,988	708,988	738,952
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	86,320
Other DfE/ESFA covid-19 funding	134,847	134,847	11,229
	134,847	134,847	97,549
COVID-19 additional funding (non-DfE/ESFA)			
Other covid-19 funding	49,738	49,738	94,325
	49,738	49,738	94,325
	7,278,517	7,278,517	7,312,999
	7,278,517	7,278,517	7,312,999
	7,312,999	7,312,999	
Total 2021	7,312,999	7,312,999	

FAIRCHILDES ACADEMY COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Catering	77,154	77,154	73,389
Lettings	37,788	37,788	34,689
After school clubs	76,952	76,952	31,449
Trips	32,708	32,708	6,236
Other income	14,247	14,247	21,874
	<u>238,849</u>	<u>238,849</u>	<u>167,637</u>
Total 2021	<u>167,637</u>	<u>167,637</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	147	147	137
	<u>147</u>	<u>147</u>	<u>137</u>
Total 2021	<u>137</u>	<u>137</u>	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational operations:					
Direct costs	5,119,850	-	363,382	5,483,232	5,737,308
Allocated support costs	1,896,194	470,942	592,267	2,959,403	2,487,646
	<u>7,016,044</u>	<u>470,942</u>	<u>955,649</u>	<u>8,442,635</u>	<u>8,224,954</u>
Total 2021	<u>6,794,012</u>	<u>494,930</u>	<u>936,012</u>	<u>8,224,954</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	5,483,232	2,959,403	8,442,635	8,224,954
Total 2021	<u>5,737,308</u>	<u>2,487,646</u>	<u>8,224,954</u>	

Analysis of direct costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	4,987,983	4,987,983	5,240,082
Educational non-ICT expenditure	196,935	196,935	221,336
Educational ICT expenditure	67,612	67,612	62,292
Staff development and training	17,918	17,918	19,341
Supply teaching costs	131,867	131,867	121,012
Educational consultancy	80,917	80,917	63,561
Staff redundancy costs	-	-	9,684
	<u>5,483,232</u>	<u>5,483,232</u>	<u>5,737,308</u>
Total 2021	<u>5,737,308</u>	<u>5,737,308</u>	

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	95,000	95,000	70,000
Staff costs	1,070,194	1,070,194	862,043
Depreciation	238,370	238,370	223,237
Building maintenance	51,257	51,257	56,421
Maintenance of plant and equipment	19,632	19,632	18,860
Grounds maintenance	21,267	21,267	20,706
Energy costs	98,203	98,203	121,727
Rent and rates	14,867	14,867	26,453
Insurance	19,347	19,347	18,996
Other occupancy costs	83,485	83,485	111,731
Catering	291,500	291,500	283,679
Other support costs	84,833	84,833	66,243
Agency support costs	-	-	191
Non-cash pension costs	826,000	826,000	561,000
Governance costs	45,448	45,448	46,359
	<u>2,959,403</u>	<u>2,959,403</u>	<u>2,487,646</u>
Total 2021	<u>2,487,646</u>	<u>2,487,646</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	237,490	222,357
Amortisation of intangible assets	880	880
Fees paid to auditors for:		
- audit	10,550	10,145
- other services	3,075	3,005
	<u>30,995</u>	<u>26,175</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	4,740,736	4,783,955
Social security costs	409,061	395,318
Pension costs	908,380	922,852
	6,058,177	6,102,125
Agency staff costs	131,867	121,203
Staff restructuring costs	-	9,684
Non-cash pension costs	826,000	561,000
	7,016,044	6,794,012

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	58	58
Administration and support	152	152
Management	5	5
	215	215

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	1

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Staff (continued)

d. 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £521,694 (2021 - £494,906).

11. 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 (2021: 4.5%)

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Fairchildes Primary School	103,575	95,774
Rowdown Primary School	82,485	72,695
Monks Orchard Primary School	63,471	70,222
Total	249,531	238,691

12. 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:

		2022	2021
		£	£
Miss R Sandell	Remuneration	95,000 -	95,000 -
		100,000	100,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. 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 2022 was £208 (2021 - £208). The cost of this insurance is included in the total insurance cost.

14. Intangible assets

	Patents £
Cost	
At 1 September 2021	20,485
At 31 August 2022	20,485
Amortisation	
At 1 September 2021	18,725
Charge for the year	880
At 31 August 2022	19,605
Net book value	
At 31 August 2022	880
At 31 August 2021	1,760

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Assets under construction £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	9,181,000	1,356,396	113,307	476,572	11,127,275
Additions	-	-	-	62,707	62,707
Disposals	-	-	-	(2,900)	(2,900)
At 31 August 2022	<u>9,181,000</u>	<u>1,356,396</u>	<u>113,307</u>	<u>536,379</u>	<u>11,187,082</u>
Depreciation					
At 1 September 2021	434,595	376,728	-	302,746	1,114,069
Charge for the year	73,448	89,436	-	74,606	237,490
On disposals	-	-	-	(2,900)	(2,900)
At 31 August 2022	<u>508,043</u>	<u>466,164</u>	<u>-</u>	<u>374,452</u>	<u>1,348,659</u>
Net book value					
At 31 August 2022	<u><u>8,672,957</u></u>	<u><u>890,232</u></u>	<u><u>113,307</u></u>	<u><u>161,927</u></u>	<u><u>9,838,423</u></u>
At 31 August 2021	<u><u>8,746,405</u></u>	<u><u>979,668</u></u>	<u><u>113,307</u></u>	<u><u>173,826</u></u>	<u><u>10,013,206</u></u>

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	24,020	10,351
Prepayments and accrued income	39,109	46,549
Tax recoverable	10,573	15,427
Grants receivable	118,389	125,569
	<u><u>192,091</u></u>	<u><u>197,896</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	12,400	12,400
Trade creditors	102,684	55,914
Other taxation and social security	98,549	104,054
Accruals and deferred income	294,511	364,922
	508,144	537,290
	508,144	537,290
	2022 £	2021 £
Deferred income at 1 September 2021	250,482	250,127
Resources deferred during the year	151,736	250,482
Amounts released from previous periods	(250,482)	(250,127)
	151,736	250,482
	151,736	250,482

At the balance sheet date the academy trust as holding funds received in advance for the year 2022/23.

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

	2022 £	2021 £
Other loans	40,645	53,077
	40,645	53,077

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	3,546	147	-	-	-	3,693
Restricted general funds						
GAG	756,808	5,564,598	(5,274,897)	11,454	-	1,057,963
UIFSM	-	82,829	(82,829)	-	-	-
Pupil premium	-	637,001	(637,001)	-	-	-
Catch-up premium	55,600	-	(55,600)	-	-	-
Other DfE/ESFA covid-19 funding	-	134,847	(134,847)	-	-	-
Other covid-19 funding	-	49,738	(49,738)	-	-	-
Other grants	-	809,504	(809,504)	-	-	-
General	-	238,849	(238,849)	-	-	-
Pension reserve	(5,323,000)	-	(921,000)	-	5,497,000	(747,000)
	<u>(4,510,592)</u>	<u>7,517,366</u>	<u>(8,204,265)</u>	<u>11,454</u>	<u>5,497,000</u>	<u>310,963</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds- all funds	10,030,296	58,831	(238,370)	(11,454)	-	9,839,303
Total Restricted funds	<u>5,519,704</u>	<u>7,576,197</u>	<u>(8,442,635)</u>	<u>-</u>	<u>5,497,000</u>	<u>10,150,266</u>
Total funds	<u><u>5,523,250</u></u>	<u><u>7,576,344</u></u>	<u><u>(8,442,635)</u></u>	<u><u>-</u></u>	<u><u>5,497,000</u></u>	<u><u>10,153,959</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:

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

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19. Statement of funds (continued)

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 2022.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	3,409	137	-	-	-	3,546
Restricted general funds						
GAG	729,892	5,330,537	(5,276,218)	-	-	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>-</u>	<u>(847,000)</u>	<u>(4,510,592)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	10,060,730	165,400	(223,237)	27,403	-	10,030,296
Total Restricted funds	<u>6,945,622</u>	<u>7,646,036</u>	<u>(8,224,954)</u>	<u>27,403</u>	<u>(847,000)</u>	<u>5,519,704</u>
Total funds	<u><u>6,949,031</u></u>	<u><u>7,646,173</u></u>	<u><u>(8,224,954)</u></u>	<u><u>27,403</u></u>	<u><u>(847,000)</u></u>	<u><u>5,523,250</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Fairchildes Primary School	476,271	367,906
Rowdown Primary School	203,165	73,019
Monks Orchard Primary School	382,220	375,029
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,061,656	815,954
Restricted fixed asset fund	9,839,303	10,030,296
Pension reserve	(747,000)	(5,323,000)
	<hr/>	<hr/>
Total	10,153,959	5,523,250
	<hr/> <hr/>	<hr/> <hr/>

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 2022 £	Total 2021 £
Fairchildes Primary School	2,275,115	1,124,728	166,276	447,774	4,013,893	3,795,272
Rowdown Primary School	1,629,595	398,436	124,855	345,021	2,497,907	2,294,335
Monks Orchard Primary School	1,215,140	373,030	69,285	284,541	1,941,996	2,150,801
Central services	-	-	-	(249,531)	(249,531)	(238,691)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy	5,119,850	1,896,194	360,416	827,805	8,204,265	8,001,717
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	9,838,423	9,838,423
Intangible fixed assets	-	-	880	880
Current assets	3,693	1,606,752	-	1,610,445
Creditors due within one year	-	(508,144)	-	(508,144)
Creditors due in more than one year	-	(40,645)	-	(40,645)
Provisions for liabilities and charges	-	(747,000)	-	(747,000)
Total	3,693	310,963	9,839,303	10,153,959

Analysis of net assets between funds - prior year

	Unrestricted 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)
Total	3,546	(4,510,592)	10,030,296	5,523,250

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(866,291)	(578,781)
Adjustments for:		
Amortisation	880	880
Depreciation	237,490	222,357
Capital grants from DfE and other capital income	(58,831)	(165,400)
Interest receivable	(147)	(137)
Defined benefit pension scheme cost less contributions payable	826,000	561,000
Defined benefit pension scheme finance cost	95,000	70,000
Decrease in debtors	5,805	65,066
Decrease in creditors	(29,146)	(110,884)
Net cash provided by operating activities	210,760	64,101

22. Cash flows from financing activities

	2022 £	2021 £
Cash inflows from new borrowing	-	17,370
Repayments of borrowing	(12,432)	(8,927)
Net cash (used in)/provided by financing activities	(12,432)	8,443

23. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	147	137
Purchase of tangible fixed assets	(62,707)	(192,349)
Capital grants from DfE Group	58,831	165,400
Net cash used in investing activities	(3,729)	(26,812)

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24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,418,354	1,223,755
Total cash and cash equivalents	1,418,354	1,223,755

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,223,755	194,599	1,418,354
Debt due within 1 year	(12,400)	-	(12,400)
Debt due after 1 year	(53,077)	12,432	(40,645)
	1,158,278	207,031	1,365,309

26. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Croydon Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2022.

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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26. 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 2024.

The employer's pension costs paid to TPS in the year amounted to £567,776 (2021 - £568,771).

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 2022 was £443,000 (2021 - £480,000), of which employer's contributions totalled £326,000 (2021 - £363,000) and employees' contributions totalled £117,000 (2021 - £117,000). The agreed contribution rates for future years are between 17.4 and 19.1 per cent for employers and between 5.5 and 9.9 per cent for employees.

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

Principal actuarial assumptions

London Borough of Croydon Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	3.15	2.90
Rate of increase for pensions in payment/inflation	3.15	2.90
Discount rate for scheme liabilities	4.25	1.65

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26. Pension commitments (continued)

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

	2022	2021
	Years	Years
Retiring today		
Males	21.9	22.1
Females	24.1	24.3
Retiring in 20 years		
Males	22.7	23.0
Females	25.8	26.0

Sensitivity analysis

London Borough of Croydon Pension Fund

	2022	2021
	£000	£000
Discount rate -0.1%	173	270
Mortality assumption - 1 year increase	312	482
CPI rate +0.1%	168	258

Share of scheme assets

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

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	4,935,000	4,505,000
Corporate bonds	1,057,000	1,278,000
Property	916,000	807,000
Cash and other liquid assets	141,000	135,000
Total market value of assets	7,049,000	6,725,000

The actual return on scheme assets was £(124,000) (2021 - £900,000).

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

	2022	2021
	£	£
Current service cost	(1,152,000)	(924,000)
Interest income	114,000	94,000
Interest cost	(209,000)	(164,000)
Total amount recognised in the Statement of Financial Activities	(1,247,000)	(994,000)

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26. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	12,048,000	9,215,000
Current service cost	1,152,000	924,000
Interest cost	209,000	164,000
Employee contributions	117,000	117,000
Actuarial (gains)/losses	(5,621,000)	1,747,000
Benefits paid	(109,000)	(119,000)
	<hr/>	<hr/>
At 31 August	7,796,000	12,048,000
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Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	6,725,000	5,370,000
Interest income	114,000	94,000
Actuarial (losses)/gains	(124,000)	900,000
Employer contributions	326,000	363,000
Employee contributions	117,000	117,000
Benefits paid	(109,000)	(119,000)
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At 31 August	7,049,000	6,725,000
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27. Members' liability

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

28. Related party transactions

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 Academy Trust 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.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.