

# **Cleves Academy Trust**

## **Annual Report and Financial Statements**

31 August 2020

Company Limited by Guarantee  
Registration Number  
07403271 (England and Wales)

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## Reference and administrative information

<b>Members</b>	S Foster J Graham D Neville-Davies
<b>Trustees</b>	P Alford S Foster (Chair) W Giddens (resigned 7 December 2020) J Graham C Hodges E Jones H Naylor A Nelson D Neville-Davies MBE S Trinder (appointed 4 February 2020) F Pierce (appointed 4 February 2020) R Flaherty (resigned 26 August 2020) H Bennett (resigned 18 November 2019) E Calow (resigned 12 October 2020) S Matthews (resigned 20 October 2019)
<b>Company Secretary</b>	M Tytherleigh
<b>Senior Management Team</b>	
Headteacher	C Hodges
Deputy Head	C Smith
Business Manager	E Turner
<b>Registered address</b>	Cleves Academy Trust Oatlands Avenue Weybridge Surrey KT13 9TS
<b>Company registration number</b>	07403271
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## Reference and administrative information

### **Bankers**

Lloyds Bank plc  
PO Box 1000  
Andover  
BX1 1LT

Scottish Widows Bank plc  
PO Box 12757  
Edinburgh  
EH3 8JY

### **Solicitors**

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

The trustees of Cleves Academy Trust ('the Academy') present their annual report together with the financial statements of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 35 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration number 07403271) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees act as the directors of the charitable company for the purposes of company law.

### **Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of its 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 ceased to be a member.

### **Trustees' indemnities**

The Academy has opted into the risk protection arrangement (RPA) for Academy Trusts, which is a mechanism through which the cost of risks that materialise will be covered by government funds. Part of this mechanism protects trustees and officers from claims arising from the negligent acts, errors or omissions occurring whilst on Academy business. The scheme provides cover up to £10,000,000 on any one claim and the cost for the period was included in the total costs paid for the risk protection arrangement (RPA) for Academy Trusts, which were £12,960 (2019 – £13,780).

### **Principal activities**

According to its Articles, the Academy's object is "specifically restricted to the following: to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum".

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Principal activities** (continued)

In July 2017, the Academy's articles were expanded, to include the following: "to promote for the benefit of the inhabitants of the area in which the Academy is situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants."

All of the activities of the Academy and its trustees are directed to the furtherance of these objects.

**Trustees**

The trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following trustees were in office at the date of signing and others served during the year as shown.

<b>Trustee</b>	<b>Appointed/Resigned</b>	<b>Appointing body</b>
P Alford	Appointed 14 May 2019	Appointed by Members
D Neville-Davies MBE	Appointed 12 December 2013	Appointed by Members
S Foster	Appointed 24 October 2012	Appointed by Members
W Giddens	Appointed 17 November 2017 <i>Resigned 7 December 2020</i>	Parent
J Graham	Appointed 17 November 2017	Parent
C Hodges	Appointed 1 August 2014	Ex officio: Headteacher
E Jones	Appointed 12 December 2013	Appointed by Members
H Naylor	Appointed 7 April 2019	Appointed by Members
A Nelson	Appointed 9 March 2018	Staff
R Flaherty	Appointed 15 December 2014 <i>Resigned 26 August 2020</i>	Staff
S Matthews	Appointed 2 December 2013 <i>Resigned 20 October 2019</i>	Co-opted
H Bennett	Appointed 5 December 2017 <i>Resigned 18 November 2019</i>	Appointed by Members
E Calow	Appointed 13 July 2016 <i>Resigned 12 October 2020</i>	Appointed by Members
F Pierce	Appointed 4 February 2020	Appointed by Members
S Trinder	Appointed 4 February 2020	Appointed by Members

**Method of recruitment and appointment or election of trustees**

The Chair first informally meets people who have expressed interest in governance or who have been asked if they have an interest (sometimes with another trustee present). If the individual and Chair both wish to take things further, the prospective trustee's CV is sent to all trustees and the individual is invited to attend a Board meeting to explain their interest in governance at Cleves; answer questions, and observe a Part 1 meeting. Trustees vote on whether to offer the person a place as a Part 2 item. Generally, unless there is a specific skill shortage or other need, the Board asks prospective trustees first to join one of its two main committees as associate trustees.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Method of recruitment and appointment or election of trustees** (continued)

Appointments of trustees are made in accordance with the Articles of Association, para 45ff. The members appoint up to eleven trustees (and no fewer than three) and up to three co-opted trustees are appointed by the trustees. The Board also has a minimum of one staff trustee, appointed following procedures set out in the Academy's Standing Orders, but no more than one third of the total Board may be staff trustees. A minimum of two parent trustees are appointed by secret ballot; and the Headteacher is an ex officio trustee. In considering the recruitment of new trustees Members have regard to the skill mix of current trustees, as shown in skill audits, and to any existing or foreseeable specific skill requirements that the Board might have. The total number of trustees is generally twelve.

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

A comprehensive set of information about the Academy, including relevant policies, the Articles and the Board of Trustees' Standing Orders and Code of Practice is easy to locate in one place on the trustees' area of the school intranet site. The clerk to the Board ensures that any new trustee has access to the trustees' area of the school website and knows where to find key documents. She also explains training opportunities and her readiness to help with any queries. Any new trustee (having already had a comprehensive informal conversation with the Chair prior to joining and having attended a Board meeting as an observer) is invited to meet the Chair of the main committee on which they will serve and (if new to the Academy) to meet the Head teacher and to have a tour of the Academy. The Chair checks with all new trustees that they were satisfied with their induction.

All trustees are required to sign Cleves' Code of Practice, which explicitly commits trustees to undertake all necessary training. The Board of Trustees' Code of Practice and Standing Orders set out expectations of trustees and explain how the Board operates. All trustees have to commit to attend Part 1 and Part 2 of "Introduction to Governance", delivered by an external specialist provider, if they had not already done so. All trustees agree to undertake at least one piece of training or development a year. Training undertaken is recorded and monitored. The Academy has a Service Level Agreement with Strictly Education 4S to provide trustee training. The Academy also has membership of the Surrey Governors Association, the National Governors Association (NGA) and Better Governor (BG), and all trustees receive regular material from the NGA and others on governance and national education issues. The Board reviews its sources of external training and information annually to check whether they provide value for money and meet needs. Individual trustees also share governance articles/web links/reports of meetings/webinars on an ad hoc basis for training purposes. Training is a standing item on Board of Trustee (BOT) agendas. The Board gives one trustee responsibility for oversight of training, supported by the clerk. Trustees who take on individual responsibilities (e.g. for safeguarding) are expected to ensure they have all the information or training that they need to do the job and to stay up to date.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Policies and procedures adopted for the induction and training of trustees** (continued)

As a consequence of the Covid-19 pandemic the chair and vice-chair in particular, undertook significant amounts of Covid-related training run by the National Governance Association, Strictly Education 4S, Better Governor, Surrey County Council and others about expectations of trustees during this crisis. The chair and others also received frequent advice and guidance from these organisations.

### **Organisational structure**

The trustees are responsible for setting overall strategic direction; discussing and adopting an annual budget; monitoring the budget; agreeing bids for capital funds; agreeing the annual accounts; agreeing a scheme of delegation; appointing auditors and a Responsible Officer; appointing and holding the Head teacher to account for the performance of the Academy; determining the school's admissions policy, and determining the staffing structure and senior staff appointments with the Head teacher.

The Board has delegated some responsibilities to two main committees - the Children's Achievement and Well-Being Committee and the Resources Committee. Certain responsibilities are also delegated to a separate Personnel, Pay and Performance (PPP) Committee and to an Admissions Committee. Arrangements are also in place for any necessary ad hoc committees. The full Board generally meets twice termly and meets more often if required. Terms of reference for committees are reviewed annually. The two main committees meet once or twice a term to deliver their work plans. All committees meet more frequently if required. Discussion takes place annually about which issues individual governors should be asked to look at in more depth and report back on, depending on the Board's priorities.

A Head Teacher's Performance Panel comprising three trustees sets the Head Teacher's objectives and reviews performance against these, supported by an external School Improvement Partner who is an education expert. This Panel makes a pay recommendation to the PPP committee, which decides whether to offer a pay increment.

### **Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration of personnel are guided by the Academy's Pay Policy, which is reviewed annually to ensure it is up to date and fit for purpose. The Head teacher makes recommendations about leadership and teaching staff's pay to the Personnel, Pay and Performance (PPP) Committee in July of each year. This Committee makes the final decision on annual pay awards following discussion with the Head teacher about his recommendations. When vacancies for key management posts arise, the PPP Committee looks at the pay levels for such posts at broadly similar schools as well as taking into account the particular requirements of the Cleves' post.

### **Trade union facility time**

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.



## OBJECTIVES AND ACTIVITIES

### Objects and aims

The principal object and activity of the charitable company is the operation of the Cleves Academy Trust to provide education, and a broad and balanced curriculum, for pupils of differing abilities between the ages of 7 and 11 in accordance with its Admissions Policy. The Academy Trust operates in accordance with all relevant provisions of the Schools Admissions Code and the Schools Admissions Appeals Code as they apply at any time to maintained schools.

In July 2017 the Academy's articles were expanded to allow for the provision of facilities for recreation or other leisure time occupation for local inhabitants who have need of them for various reasons.

In keeping with Cleves' long-standing commitment to providing the very best broad and balanced curriculum for its pupils, Cleves' vision statement is as follows:

*"Our vision is that all pupils leave Cleves inspired and equipped with the skills, knowledge and emotional well being they need to take on the challenges of a changing and ever more competitive world."*

In September 2018 trustees met with their School Improvement Partner to review the strategic objectives they had set for 2015-2019 and to agree new ones, taking into account the national and local education picture. In brief, new objectives agreed for 2018-2021 were:

- ◆ To maintain high academic standards; add to our broad and balanced education provision, and further personalise teaching so that every child is helped to achieve their full potential;
- ◆ To identify further ways to establish and develop Cleves' position in the local community;
- ◆ To identify and address mental health issues and the causes of these; and to expand our support for pupils' and staffs' well-being; and
- ◆ To review and enhance support for disadvantaged and/or vulnerable children so that we not only "close the gap" educationally, but also give these children a head start in all aspects of their education and development

In autumn 2019 trustees confirmed these strategic objectives and agreed success measures against them. However, from 20 March 2020, as a result of Covid 19 and national school lockdown the school also followed national priorities and objectives (see below).

## OBJECTIVES AND ACTIVITIES (continued)

### Objects and aims (continued)

The main objectives of the Academy for the period until 20 March aligned with these strategic objectives:

- ◆ To ensure that every child enjoys high quality education in terms of resourcing, tuition and care. To that end, the Academy continued with a comprehensive, in depth review of its curriculum, subject by subject, to see whether it could be even broader, more balanced and more engaging. New history and geography curricula were introduced and work was taken forward on improvements to the SRE, PSHE and RE curricula. New learning behaviours; a Cleves' "Active Award and a Cleves' co-curricular "guarantee" were also implemented and supported curriculum delivery;
- ◆ To raise the standard of educational achievement of all pupils, especially those groups of pupils whose progress was weaker, and disadvantaged pupils. The School Improvement Partner carried out an in depth review of teaching and learning;
- ◆ To pay special attention to improving pupils' attainment and progress in all subjects, especially spelling and maths;
- ◆ Whilst maintaining and expanding a broad and balanced curriculum, to continue to prepare pupils to meet the challenges of SATs;
- ◆ To further expand provision to nurture pupil well-being. A mental health expert continued to support the school
- ◆ To build on our strong sporting record by offering new opportunities, particularly to help pupils less able at sport, and to work with other local schools to expand provision locally
- ◆ To continue to provide value for money for the funds expended;
- ◆ To comply with all appropriate statutory and curriculum requirements;
- ◆ To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness;
- ◆ To continue to look for opportunities to support, learn from or work together with other local schools; and
- ◆ To continue to identify ways to work in even closer partnerships with our local infant feeder schools, in accordance with our Memorandum of Understanding.

From 23rd March 2020:

- ◆ To keep the school safely open to care for vulnerable and key worker children, including during holidays;
- ◆ To implement a broad package of home-learning and pastoral support for non-key worker/ vulnerable children and their families at home; and

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objects and aims (continued)**

1. To reintroduce Year 6 children back into school from 15<sup>th</sup> June 2020; and all children for two weeks from 6<sup>th</sup> July 2020.
2. To set up new summer school provision to provide some catch up for some 200 children following the national lockdown.

During this period Trustees took an active part in monitoring that plans and risk assessment were thorough and robust. Trustees also supported the school's leaders in their decision to invite all children back for half days for the final two full weeks of the term

### **Public benefit**

In setting the Academy's objectives and planning its activities, the Board of Trustees has had due regard to the Charity Commission's general guidance on public benefit.

## **STRATEGIC REPORT**

### **Achievements and performance**

Historically Cleves has performed strongly in KS2 tests and 2019 was no exception. In summer 2020, however, KS2 SATs tests were cancelled nationally because of the Covid-19 pandemic so no test data is available. Internal data from the early part of the year indicated that children were making expected progress and were on track to perform well.

Prior to 23rd March 2020, Cleves continued to perform extremely strongly in sport, with more children than ever representing the school; and to achieve very high standards in music and drama performances. Cleves also continued to offer and to host a wide range of co-curricular activities, which were well-attended.

### **Key performance indicators**

- ◆ To maintain a cash balance equivalent to at least one month's expenditure (excluding fixed assets). **Achieved.**
- ◆ To maintain a solvency ratio (current assets to current liabilities) of a least 2:1. **Achieved.**
- ◆ The total cost of staffing shall not exceed 100% of GAG funding. **Achieved.**
- ◆ At least 75% teachers to be outstanding. **Achieved.**

### **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue teaching for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details can be found in the accounting policies.

## STRATEGIC REPORT (continued)

### **Financial 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 year ended 31 August 2020 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP FRS102), 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.

A small, but so far consistent, amount of income is derived from lettings and for this year and the prior year some income was earned by the Headteacher and Deputy Headteacher providing support to another school (see note 22). The school's PTA contributes to additional, non-core provisions for the benefit of Cleves' children.

The total income for the year was £3,376,000 (2019 – £3,597,000), of which £2,498,000 (2019 – £2,304,000) is General Annual Grant. The remainder is made up of other ESFA and Government Grants, the unrestricted element generated from donations and parental contributions, lettings and catering. The operational deficit for the year, excluding the fixed assets fund and the pension reserve was (£49,000) (2019 – surplus £42,000).

At 31 August 2020, the Academy had total funds of £7,816,000 (2019 – £8,351,000). This comprised of £7,123,000 (2019 – £7,609,000) of restricted funds and £693,000 (2019 – £742,000) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £1,799,000 (2019 – deficit by £1,590,000) at 31 August 2020.

The results for the period are shown on page 26.

### **Reserves policy**

The trustees review the reserve levels of the Academy at least annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be at least one month's expenditure which approximates to £300,000. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £693,000 (2019 – £742,000). The Academy plans to review future expenditure plans in light of current reserves levels. Much of the additional surplus is earmarked for foreseeable capital and staffing expenditure.

### **Investment policy**

The Academy holds no investments. Surplus cash is deposited in UK banks.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The trustees regularly assess the major risks to which the Academy is exposed, in particular those relating to the teaching, provision of facilities, and other operational areas of the Academy and its finances (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

Trustees are very aware of their statutory duties for safeguarding children and regularly seek confirmation and evidence that the school is fulfilling its responsibilities. Shortage of classroom teachers is a national concern and in view of the Academy's experiences in a previous year staff are now identified and secured earlier than in previous years. This has proven successful.

In the course of the accounting year, based on a medium term plan, trustees continued to devote some of the Academy's reserves to maintaining and improving the fabric of the Academy. Trustees carried out visits, for example to look at safeguarding and health and safety, the visit reports are discussed by Committees and available to all trustees.

As funding from central Government is tight, the Academy is careful to maintain its external lettings contracts which provide additional income. During the reporting period some additional income also came from supporting other schools.

The school's PTA continued to be very active and successful in organising fundraising events for non-core provision. The school also received some income from the provision of before and after school childcare. Trustees are fully aware that there is risk around placing too much dependence on the incomes of both lettings and the GAP club. These sources of revenue are therefore closely monitored, and under budgeted when forecasting unrestricted income.

The closure of the school on 20th March, in line with national Covid-19 pandemic instructions, caused income from lettings, before and after school provision and the PTA to cease, but there were also some savings. Some non teaching staff were furloughed as soon as the furlough scheme was launched, saving staffing costs. The impact of Covid-19 on the school's finances and how to manage significant uncertainties when projecting income going forward, were discussed at Resources Committee meetings. Various financial scenarios assuming limited or no income from lettings and pre and post school clubs were drawn up and the implications discussed and risks mitigated as far as possible. Additional costs were also anticipated to allow for a summer school provision and for additional catch up support at the start of the autumn term.

The risk of Covid-19 lockdown and partial return to school impacting negatively on children's health and safety, emotional well-being and learning; and the risk of additional or new safeguarding issues, were discussed in Board meetings in the context of the school's plans for home-learning and pastoral support; the return to school and Covid-related risk assessments. Trustees also monitored support for staff's well-being. Throughout the Covid-19 period, additional well-being support was provided on a regular basis to all staff, and on a tailored, ad hoc basis to those who needed particular support.

### **PLANS FOR FUTURE PERIODS**

At the current time, our priority is ensuring children remain at school during the Covid-19 situation. With that in mind, we have made the following plans:

We will not be re-planning literacy and numeracy schemes of work for the Autumn term 2020 and beyond, nor going backwards to recover the summer term's learning objectives in class.

We will not be covering the topics missed in the summer term or replanning our topic overview.

Data analysis will show which literacy and numeracy objectives may need longer to deliver in class if pupils seem insecure. Planning can be adapted to allow more time on previous years content where required.

Catch up sessions will be required throughout much of this academic year with afternoon and after school boosters on offer to all year groups. Additional part time staff will be employed on fixed term contracts to deliver these additional sessions.

Our School Development Plan will continue the work started last year, most of which needs completing and embedding. This includes:

- ◆ Continue to look at maths setting and best practice
- ◆ Continued focus on knowledge content and retrieval across the subjects
- ◆ Continue curriculum review and redesign with Art, PSHE, RE, MFL our next areas for consideration
- ◆ Transition to a whole class reading model rather than small group sessions
- ◆ Transition to Sounds Write spelling approach for whole school.
- ◆ Values reviewed and higher profile across the subjects and our teaching
- ◆ PSHE delivered in short weekly lessons
- ◆ Classroom monitor has changed so our data approach and analysis may need to change
- ◆ A recovery plan to ensure pupils catch up
- ◆ Responding to Covid - Safety first remains our overriding priority for the year

**PLANS FOR FUTURE PERIODS** (continued)

All our typical events this term and possibly the whole academic year may have to change with:

- ◆ No large gatherings – staff or parents
- ◆ No whole school or year group assemblies
- ◆ No parents on site apart from at collection time
- ◆ No events where parents attend
- ◆ No face-to-face curriculum presentations
- ◆ SEND plans shared by phone call

**AUDITOR**

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ 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.

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on its behalf by:

*Susan W Foster*

Susan W Foster  
Chair of Trustees

### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is 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 formally met 9 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
P Alford	7	9
R Flaherty	9	9
S Foster	9	9
W Giddens	7	9
J Graham	7	9
C Hodges	8	9
E Jones	9	9
H Naylor	8	9
A Nelson	9	9
D Neville-Davies MBE	9	9
F Pierce	6	6
S Trinder	6	6
E Calow	8	8
H Bennett	1	1
S Matthews	1	1

### Governance reviews

In summer 2017 the trustees commissioned the Academy's new School Improvement Partner to carry out a comprehensive desk audit of governance for them. This report concluded that governance seemed to be outstanding and gave four areas for trustees to consider further. Trustees drew up an action plan and action points have been completed or are in hand. In summer 2019 it was agreed to hold a self-review of governance in the coming year. This has been delayed because of the need to focus attention on virtual governance and on essential items during the Covid-19 pandemic.



**Resources Committee**

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- ◆ have regard to the Academies Financial Handbook and the Academy funding agreement;
- ◆ determine financial priorities for the coming year and for the next three years in accordance with the Strategic Plan;
- ◆ discuss, examine and agree the annual income and expenditure budget plan for the financial year for the Academy and recommend its adoption to the full Board of Trustees;
- ◆ discuss and agree bids for funding from central Government (eg CIF);
- ◆ review budget monitoring reports and then report to the full Board of Trustees termly on the Academy's finances (public and non-public), including performance against profile for the annual budget; value for money; the forecast and actual end of year position; and other issues of significance;
- ◆ review systems of internal financial control and identify areas of risk;
- ◆ make recommendations to the full Board of Trustees about the arguments for and affordability of any proposed expenditure outside of budget;
- ◆ receive and where appropriate respond to periodic requests for audit reports of public funds;
- ◆ after considering the costs and benefits to approve new contracts; to continue or cease existing ones in accordance with limits set out in the scheme of delegation;
- ◆ oversee the preparation of the year-end accounts, in conjunction with the Headteacher, Business Manager and external auditor;
- ◆ agree procedures to be followed for carrying out emergency work and to make recommendations about delegation to the Headteacher for taking appropriate action on behalf of the Board of Trustees in the event of an emergency;
- ◆ review banking arrangements annually, or as necessary;
- ◆ approve any debts written off in accordance with a written policy on the action to be taken with regard to chasing arrears and write offs;
- ◆ ensure the Academy maintains an up to date asset register and a rolling programme of repairs and maintenance;
- ◆ ensure company accounts are filed;
- ◆ organise the internal audit or Responsible Officer system;

**Resources Committee** (continued)

- ◆ agree the level of delegation to the Headteacher for the day-to-day financial management of the Academy;
- ◆ recommend the amount which can be vired between budget headings by the Headteacher without prior agreement of the Resources Committee; and
- ◆ look at benchmarking data for expenditure.

In the course of the year the committee followed a rolling work plan. Key activities included regular monitoring of the budget; agreement of a longer-term maintenance plan and expenditure to cover other urgent priorities and the deployment of additional income from consultancy.

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
E Calow	3	5
C Hodges	5	5
E Jones	5	5
W Giddens	3	5
H Naylor	3	5
A Nelson	5	5
F Pierce	3	3

**Review of value for money**

Covid-19 has meant a loss of income generation - Lettings income through the summer along with loss of wraparound care (GAP fees).

Additionally costs incurred to ensure Covid-19 safety; increase in cleaning, new signage, additional resources to reduce sharing amongst children, extra Chromebooks to reduce sharing and increase access, alterations to site, changing of water fountains and new taps.

We are currently discussing the settlement figures of school meal invoices with ABM regarding the Summer Term with PPN-20 guidance in mind.

As Accounting Officer the 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 whether the Academy's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ Completing the School Resource Management Self-Assessment tool to use metrics in measuring efficiency with other schools;

**Review of value for money (continued)**

- ◆ Invested in up to date SMART boards and chrome books following hardware replacement schedule;
- ◆ Review the ICT support service provided and re-tender,
- ◆ Investigate energy costs and savings

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's 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. A system of internal control has been in place at the Academy for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements, with changes in systems made to accommodate changes in processes and systems. The Responsible Officer has carried out visits to assist in assessing internal systems and processes.

**Capacity to handle risk**

The Resources Committee and the Board of Trustees have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements an ongoing process for identifying, evaluating and managing the Academy's significant risks has been in place. This process is regularly reviewed by the Resources Committee and Board of Trustees.

**The risk and control framework**

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

- ◆ 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 Resources 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;

**The risk and control framework (continued)**

- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However during the period the trustees appointed Mr Wayne Giddens as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. During the period, Wayne Giddens fulfilled this function and reported to the Board of Trustees, through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There have been no material issues or remedial action required.

**Review of effectiveness**

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

- ◆ the work of the external auditor;
- ◆ the work of the Responsible Officer; and
- ◆ the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Resources Committee of the implications of his review of the system of internal control and set out his plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 14 December 2020 and signed on their behalf by:

*Susan W Foster*

Susan W Foster  
(Chair of Trustees)

*C. O. Hodges*

C. O. Hodges  
(Accounting Officer)

**Statement on regularity, propriety and compliance 31 August 2020**

As Accounting Officer of Cleves Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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

*C.O. Hodges*  
C. O. Hodges  
Accounting Officer

Date: 14 December 2020

## Statement of trustees responsibilities 31 August 2020

The trustees (who are also the directors of the Academy for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 Academy and of 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 in the Charities' SORP FRS102 and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 Academy 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 the ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 14 December 2020 and signed on its behalf by:

*Susan W Foster*

Susan W Foster

Chair of Trustees

**Independent auditor's report to the members of Cleves Academy Trust**

**Opinion**

We have audited the financial statements of Cleves Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS102 and Academies Accounts Direction 2019 to 2020.

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information (covers the reference and administrative details, the report of the trustees and strategic report and the governance statement)**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions 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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company 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
- ◆ the financial statements are not in agreement with the accounting records or returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees, (who are also the directors 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

16 December 2020

**Independent reporting accountant's assurance report on regularity to Cleves Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 27 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cleves Academy Trust during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cleves Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cleves Academy Trust and the 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 the Cleves Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cleves Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Cleves Academy Trust's funding agreement with the Secretary of State for Education dated 29 October 2010 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the 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.

**Approach** (continued)

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

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



Reporting Accountant  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

16 December 2020

**Statement of financial activities (including income and expenditure account) Year to 31 August 2020**

	Notes	Unrestricted general fund £'000	Restricted funds		2020 Total funds £'000	2019 Total funds £'000
			General fund £'000	Fixed assets fund £'000		
<b>Income from:</b>						
Donations and capital grants	1	85	—	22	107	186
<b>Charitable activities</b>						
. Funding for the Academy's educational operations	2	134	2,821	—	2,955	2,799
Other trading activities	3	312	—	—	312	610
Investments	4	2	—	—	2	2
<b>Total income</b>		<b>533</b>	<b>2,821</b>	<b>22</b>	<b>3,376</b>	<b>3,597</b>
<b>Expenditure on:</b>						
Raising funds	5	127	—	—	127	150
<b>Charitable activities</b>						
. Academy's educational operations	6	421	2,990	333	3,744	3,750
<b>Total expenditure</b>		<b>548</b>	<b>2,990</b>	<b>333</b>	<b>3,871</b>	<b>3,900</b>
<b>Net income (expenditure)</b>		<b>(15)</b>	<b>(169)</b>	<b>(311)</b>	<b>(495)</b>	<b>(303)</b>
<b>Transfers between funds</b>	16	<b>(34)</b>	<b>—</b>	<b>34</b>	<b>—</b>	<b>—</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	21	—	(40)	—	(40)	(423)
<b>Net movement in funds</b>		<b>(49)</b>	<b>(209)</b>	<b>(277)</b>	<b>(535)</b>	<b>(726)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September		742	(1,590)	9,199	8,351	9,077
<b>Total fund balances carried forward at 31 August</b>		<b>693</b>	<b>(1,799)</b>	<b>8,922</b>	<b>7,816</b>	<b>8,351</b>

All of the Academy's activities derived from continuing operations during the above two financial periods.

The Academy has no recognised gains or losses other than those shown above.

A full comparative statement of financial activities is presented in note 8 to the financial statements.

**Balance sheet** 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible fixed assets	12		8,907		9,176
<b>Current assets</b>					
Debtors	13	118		107	
Cash at bank and in hand		942		908	
		<u>1,060</u>		<u>1,015</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(352)		(244)	
<b>Net current assets</b>			<u>708</u>		<u>771</u>
<b>Total assets less current liabilities</b>					
			<u>9,615</u>		<u>9,947</u>
Creditors: amounts falling due after one year	15		—		(6)
<b>Net assets excluding pension liability</b>			<u>9,615</u>		<u>9,941</u>
Pension scheme liability	21		(1,799)		(1,590)
<b>Total net assets</b>			<u>7,816</u>		<u>8,351</u>
<b>Funds of the Academy:</b>					
<b>Restricted funds</b>					
Fixed assets fund	16		8,922		9,199
Restricted income fund	16		—		—
Pension reserve	16		(1,799)		(1,590)
<b>Total restricted funds</b>			<u>7,123</u>		<u>7,609</u>
<b>Unrestricted income funds</b>					
General fund	16		693		742
<b>Total funds</b>			<u>7,816</u>		<u>8,351</u>

The financial statements on page 28 to 51 were approved by the trustees, and authorised for issue on 14 December 2020 and are signed on their behalf by:

*Susan W Foster*  
Susan W Foster  
Chair

Cleves Academy Trust  
Company Limited by Guarantee  
Registration Number: 07403271 (England and Wales)

**Statement of cash flows** Year to 31 August 2020

		2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	74	98
<b>Cash flows used in investing activities</b>			
	B	(40)	(13)
<b>Change in cash and cash equivalents in the year</b>			
		35	85
<b>Cash and cash equivalents at 1 September</b>			
		908	823
<b>Cash and cash equivalents at 31 August</b>			
	C	942	908

**A Reconciliation of expenditure to net cash flow from operating activities**

	2020 £'000	2019 £'000
<b>Net expenditure for the year (as per the statement of financial activities)</b>	<b>(495)</b>	<b>(303)</b>
<b>Adjusted for:</b>		
Depreciation charges (note 12)	333	345
Capital grants from DfE and other capital income	(22)	(83)
Interest receivable (note 4)	(2)	(2)
Defined benefit pension scheme cost less contributions payable (note 21)	139	91
Defined benefit pension scheme finance cost (note 21)	30	30
(Decrease)/Increase in debtors	(11)	31
Increase/(Decrease) in creditors	102	(11)
<b>Net cash provided by operating activities</b>	<b>74</b>	<b>98</b>

**B Cash flows from investing activities**

	2020 £'000	2019 £'000
Dividends, interest and rents from investments	2	2
Purchase of tangible fixed assets	(64)	(98)
Capital grants from DfE/ESFA	12	36
Capital funding received from sponsors and others	10	47
<b>Net cash used in investing activities</b>	<b>(40)</b>	<b>(13)</b>

**C Analysis of cash and cash equivalents**

	2020 £'000	2019 £'000
Cash at bank and in hand	942	908
<b>Total cash and cash equivalents</b>	<b>942</b>	<b>908</b>

**Statement of cash flows** Year to 31 August 2020

**D Analysis of changes in net debt**

	At 1 September 2019 £'000	Cash flows £'000	New finance leases £'000	Other non-cash changes £'000	At 31 August 2020 £'000
Cash	908	34	-	-	942
<b>Total</b>	<b>908</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>942</b>

**Statement of accounting policies**

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

**Basis of preparation**

The financial statements of the Academy have been prepared under the historical 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 FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cleves Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand.

**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 company 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. The Governors have made this assessment whilst considering the impact of the Covid-19 pandemic on the day-to-day activities of the Academy Trust.

**Income**

All income is 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.



**Income** (continued)

**Grants** (continued)

The 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 period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance 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.

**Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

**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 period it is receivable and to the extent the academy trust has provided the goods or services.

**Donated fixed assets**

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

**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.

**Expenditure** (continued)

***Expenditure on raising funds***

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

***Charitable activities***

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

All resources expended are stated net of recoverable VAT.

**Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward on the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

◆ Freehold buildings	2% straight line
◆ Fixtures, fittings and equipment	20% straight line
◆ IT equipment	33.3% straight line

Depreciation is charged from the month of acquisition.

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.

**Debtors**

Debtors were recognised at their settlement amount, less any provision for non-recoverability. Prepayments were valued at the amount prepaid.

**Cash at bank and in hand**

Cash at bank and in hand represented such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**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.

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis 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 13. 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 14 and 15. 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.

**Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Pensions benefits**

Retirement benefits to employees of the academy trust 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 trust 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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust 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.

### **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 Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority; Surrey County Council.

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability; and
- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

Notes to the Financial Statements Year to 31 August 2020

**1 Donations and capital grants**

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	—	12	12	36
Other donations	85	10	95	150
	85	22	107	186

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Capital grants	—	36	36
Other donations	103	47	150
	103	83	186

**2 Funding for the Academy's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
<b>DfE / ESFA revenue grants</b>				
. General Annual Grant (GAG)	—	2,498	2,498	2,304
. Other DfE / ESFA	—	239	239	118
	—	2,737	2,737	2,422
<b>Other Government grants</b>				
. Local authority grants	—	—	—	103
. Special educational projects	—	60	60	40
	—	60	60	143
Other income from the Academy's educational operations	134	—	134	234
	134	—	134	234
<b>Exceptional government funding</b>				
Coronavirus Job Retention-Scheme grant	—	24	24	—
	134	2,821	2,955	2,799

**2 Funding for the Academy's educational operations (continued)**

The academy furloughed some of its GAP staff under the government's CJRS. The funding received of £23,942 relates to staff costs in respect of 18 staff, which are included within note 9 below as appropriate.

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
<b>DfE / ESFA revenue grants</b>			
. General Annual Grant (GAG)	—	2,304	2,304
. Other DfE / ESFA	—	118	118
	<u>—</u>	<u>2,422</u>	<u>2,422</u>
<b>Other Government grants</b>			
. Local authority grants	—	103	103
. Special educational projects	—	40	40
	<u>—</u>	<u>143</u>	<u>143</u>
<b>Exceptional government funding</b>			
. Coronavirus Job Retention Scheme Grant	—	—	—
<i>Other income from the Academy's educational operations</i>	234	—	234
	<u>234</u>	<u>2,565</u>	<u>2,799</u>

**3 Other trading activities**

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<b>2020 Total funds £'000</b>	<i>2019 Total funds £'000</i>
Hire of facilities/lettings income	109	—	109	155
Trip income	82	—	82	210
Catering income	93	—	93	202
Miscellaneous income	28	—	28	43
	<u>312</u>	<u>—</u>	<u>312</u>	<u>610</u>

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
<i>Hire of facilities/lettings income</i>	155	—	155
<i>Trip income</i>	210	—	210
<i>Catering income</i>	202	—	202
<i>Miscellaneous income</i>	43	—	43
	<u>610</u>	<u>—</u>	<u>610</u>

Notes to the Financial Statements Year to 31 August 2020

**4 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Interest receivable	2	—	2	2

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Interest receivable	2	—	2

**5 Expenditure**

	Non pay expenditure			2020 Total funds £'000	2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000		
Expenditure on raising funds:					
. Direct costs	108	4	15	127	150
Academy's educational operations					
. Direct costs	2,231	333	158	2,722	2,529
. Allocated support costs	421	151	450	1,022	1,221
	2,760	488	623	3,871	3,900

	Non pay expenditure			2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000	
Expenditure on raising funds:				
. Direct costs	127	4	19	150
Academy's educational operations				
. Direct costs	2,009	345	175	2,529
. Allocated support costs	336	208	677	1,221
	2,472	557	871	3,900



Notes to the Financial Statements Year to 31 August 2020

**5 Expenditure (continued)**

	2020 Total funds £'000	2019 Total funds £'000
<b>Net expenditure for the year includes:</b>		
Operating lease rentals	9	8
Depreciation	333	345
Fees payable to auditor		
. Audit	7	6
. Other services	6	6

**6 Charitable activities - Academy's educational operations**

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	2,722	2,529
Support costs	1,022	1,221
	<b>3,744</b>	<b>3,750</b>

	2020 Total funds £'000	2019 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	421	336
Technology costs	41	48
Premises costs	151	208
Legal costs	-	6
Other support costs	395	611
Governance costs (note 7)	14	12
<b>Total support costs</b>	<b>1,022</b>	<b>1,221</b>

**7 Governance costs**

	2020 Total funds £'000	2019 Total funds £'000
Auditor's remuneration	14	12
	<b>14</b>	<b>12</b>

## 8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted funds		2019 Total funds £'000
		General fund £'000	Fixed assets fund £'000	
<b>Income from:</b>				
Donations and capital grants	103	—	83	186
Charitable activities				
. Funding for the Academy's educational operations	234	2,565	—	2,799
Other trading activities	610	—	—	610
Investments	2	—	—	2
<b>Total income</b>	<b>949</b>	<b>2,565</b>	<b>83</b>	<b>3,597</b>
<b>Expenditure on:</b>				
Raising funds	150	—	—	150
Charitable activities				
. Academy's educational operations	328	3,077	345	3,750
<b>Total expenditure</b>	<b>478</b>	<b>3,077</b>	<b>345</b>	<b>3,900</b>
<b>Net income (expenditure)</b>	<b>471</b>	<b>(512)</b>	<b>(262)</b>	<b>(303)</b>
<b>Transfers between funds</b>	<b>(429)</b>	<b>391</b>	<b>38</b>	<b>—</b>
<b>Other recognised gains and losses</b>				
Actuarial (losses) gains on defined benefit pension schemes	—	(423)	—	(423)
<b>Net movement in funds</b>	<b>42</b>	<b>(544)</b>	<b>(224)</b>	<b>(726)</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September	700	(1,046)	9,423	9,077
<b>Total fund balances carried forward at 31 August</b>	<b>742</b>	<b>(1,590)</b>	<b>9,199</b>	<b>8,351</b>

All of the Academy's activities derived from continuing operations during the above two financial periods.

The Academy has no recognised gains or losses other than those shown above.

**9 Staff**

**(a) Staff costs**

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	1,927	1,826
Social security costs	171	151
Pension costs	574	409
	<u>2,672</u>	<u>2,386</u>
Supply teacher costs	88	86
	<u>2,760</u>	<u>2,472</u>

**(b) Staff numbers**

The average numbers of persons (including senior management team) employed by the Academy during the year was as follows:

<b>Charitable activities</b>	2020 No.	2019 No.
Teachers	33	37
Administration and support	54	61
Management	3	3
	<u>90</u>	<u>101</u>

**(c) Higher paid staff**

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

	2020 No.	2019 No.
£60,001 - £70,000	—	1
£70,001 - £80,000	1	—
£100,001 - £110,000	1	1

**(d) Key management personnel**

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Academy Trust was £315,148 (2019 – £291,214).

**10 Trustees' remuneration and expenses**

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

	2020 £	2019 £
C Hodges (Headteacher)		
. Remuneration	£100,000 - £105,000	£100,000 - £105,000
. Employer's pension contributions	£20,000 - £25,000	£15,000 - £20,000
R Flaherty (Staff Trustee)		
. Remuneration	£50,000 - £55,000	£40,000 - £45,000
. Employer's pension contributions	10,000 - £15,000	£5,000 - £10,000
A Nelson (Staff Trustee)		
. Remuneration	£40,000 - £45,000	£40,000 - £45,000
. Employer's pension contributions	£10,000 - £15,000	£5,000 - £10,000

During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed to any trustee (2019 – £nil).

Other related party transactions involving the trustees are set out in note 22.

**11 Trustees and Officers' insurance**

The Academy has opted into the risk protection arrangement (RPA) for Academy Trusts, which is a mechanism through which the cost of risks that materialise will be covered by government funds. Part of this mechanism protects trustees and officers from claims arising from the negligent acts, errors or omissions occurring whilst on Academy business. The scheme provides cover up to £10,000,000 on any one claim and the cost for the period was included in the total costs paid for the risk protection arrangement (RPA) for Academy Trusts, which were £12,960 (2019 – £13,780).

Notes to the Financial Statements Year to 31 August 2020

**12 Tangible fixed assets**

	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
<b>Cost</b>				
At 1 September 2019	10,322	447	322	11,091
Additions	—	34	30	64
Disposals	—	(27)	(7)	(34)
At 31 August 2020	10,322	454	345	11,121
<b>Depreciation</b>				
At 1 September 2019	1,384	297	234	1,915
Charged in year	207	74	52	333
Disposals	—	(27)	(7)	(34)
At 31 August 2020	1,591	344	279	2,214
<b>Net book value</b>				
At 31 August 2020	8,731	110	66	8,907
At 31 August 2019	8,938	150	88	9,176

**13 Debtors**

	2020 £'000	2019 £'000
Trade debtors	8	37
VAT recoverable	30	50
Prepayments and accrued income	80	20
	118	107

**14 Creditors: amounts falling due within one year**

	2020 £'000	2019 £'000
Trade creditors	49	102
Taxation and social security	105	82
Loans (note 15)	6	9
Accruals and deferred income	192	51
	352	244

**14 Creditors: amounts falling due within one year (continued)**

**Deferred income**

	2020 Total funds £'000	2019 Total funds £'000
Deferred income at 1 September	21	24
Released during the year	(14)	(16)
Resources deferred in the year	148	13
Deferred income at 31 August	<u>155</u>	<u>21</u>

At the balance sheet date the academy trust was holding the following funds:

Income in advance of trips that were postponed in 2020 of £108,563, lettings income of £980, catering income of £16,758, GAP income of £15,649, ICT contribution to be spent in 2021 of £5,207 and Sponsored Read income of £7,497.

**15 Creditors: amounts falling due in greater than one year**

	2020 £'000	2019 £'000
Loans	-	6

Loans comprise a Condition Improvement Fund loan of £41,100 from the ESFA which is repayable over the period from September 2016 to August 2021 and is interest free. In the prior year, loans also included a SALIX loan of £10,000 which was repayable over the period from March 2015 to September 2018 and which was interest free.

The loans are payable in instalments as follows:

	2020 £'000	2019 £'000
Due within one year	6	9
Due between one and two years	—	6
Due between two and five years	—	—
	<u>6</u>	<u>15</u>

**16 Funds**

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	—	2,498	(2,498)	—	—
. Pupil Premium	—	83	(83)	—	—
. Other grants	—	200	(200)	—	—
. Pension reserve	(1,590)	40	(209)	(40)	(1,799)
	<u>(1,590)</u>	<u>2821</u>	<u>(2,990)</u>	<u>(40)</u>	<u>(1,799)</u>
<b>Restricted fixed assets fund</b>					
. Transfer on conversion	9,176	—	(333)	65	8,908
. DfE/ESFA capital grants	23	12	—	(21)	14
. Other capital grants	—	10	—	(10)	—
	<u>9,199</u>	<u>22</u>	<u>(333)</u>	<u>34</u>	<u>8,922</u>
<b>Other restricted funds</b>					
. Other restricted funds	—	60	(60)	—	—
	<u>—</u>	<u>60</u>	<u>(60)</u>	<u>—</u>	<u>—</u>
<b>Total restricted funds</b>	<u>7,609</u>	<u>2,699</u>	<u>(3,179)</u>	<u>(6)</u>	<u>7,123</u>
<b>Unrestricted funds</b>					
. General funds	742	533	(548)	(34)	693
<b>Total unrestricted funds</b>	<u>742</u>	<u>533</u>	<u>(548)</u>	<u>(34)</u>	<u>693</u>
<b>Total funds</b>	<u>8,351</u>	<u>3,232</u>	<u>(3,727)</u>	<u>(40)</u>	<u>7,816</u>

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

***ESFA revenue grant fund and other restricted funds***

***General Annual Grant (GAG)***

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

***Fixed asset fund***

These grants relate to funding received from the ESFA and Local Authority to carry out works of a capital nature. Capital transfers relate to repairs and maintenance expenditure, and assets funded by unrestricted funds.

***Pension reserve***

The pension reserve related to the Academy's Local Government Pension Scheme liability for support staff.

16 Funds (continued)

**Comparative information**

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	—	2,304	(2,304)	—	—
. Pupil Premium	—	72	(72)	—	—
. Other grants	—	189	(580)	391	—
. Pension reserve	(1,046)	—	(121)	(423)	(1,590)
	<u>(1,046)</u>	<u>2,565</u>	<u>(3,077)</u>	<u>(32)</u>	<u>(1,590)</u>
<b>Restricted fixed assets fund</b>					
. Transfer on conversion	9,423	—	(345)	98	9,176
. DfE/ESFA capital grants	—	36	—	(13)	23
. Other capital grants	—	47	—	(47)	—
	<u>9,423</u>	<u>83</u>	<u>(345)</u>	<u>38</u>	<u>9,199</u>
<b>Other restricted funds</b>					
. Local authority grants	—	103	(103)	—	—
. Other restricted funds	—	40	(40)	—	—
	<u>—</u>	<u>143</u>	<u>(143)</u>	<u>—</u>	<u>—</u>
<b>Total restricted funds</b>	<u>8,377</u>	<u>2,791</u>	<u>(3,565)</u>	<u>(6)</u>	<u>7,609</u>
<b>Unrestricted funds</b>					
. General funds	700	949	(478)	(429)	742
<b>Total unrestricted funds</b>	<u>700</u>	<u>949</u>	<u>(478)</u>	<u>(429)</u>	<u>742</u>
<b>Total funds</b>	<u>9,077</u>	<u>3,597</u>	<u>(3,900)</u>	<u>(423)</u>	<u>8,351</u>



**17 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	—	—	8,907	<b>8,907</b>
Current assets	693	352	15	<b>1,060</b>
Current liabilities	—	(352)	—	<b>(352)</b>
Pension scheme liability	—	(1,799)	—	<b>(1,799)</b>
<b>Total net assets</b>	<b>693</b>	<b>(1,799)</b>	<b>8,922</b>	<b>7,816</b>

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	—	—	9,176	<b>9,176</b>
Current assets	742	250	23	<b>1,015</b>
Current liabilities	—	(244)	—	<b>(244)</b>
Non-current liabilities	—	(6)	—	<b>(6)</b>
Pension scheme liability	—	(1,590)	—	<b>(1,590)</b>
<b>Total net assets</b>	<b>742</b>	<b>(1,590)</b>	<b>9,199</b>	<b>8,351</b>

**18 Commitments under operating leases**

**Operating leases**

At 31 August 2020, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

Equipment	2020 £'000	2019 £'000
Amounts due within one year	<b>7</b>	<b>9</b>
Amounts due between one and five years inclusive	<b>11</b>	<b>18</b>
	<b>18</b>	<b>27</b>

**19 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.

## 20 Pension and similar obligations

The Academy Trust'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 Surrey County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £54,691 were payable to the schemes at 31 August 2020 (2019 – £39,674) and are included within creditors

### *Teachers' Pension Scheme*

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

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

### *Valuation of the Teachers' Pension Scheme*

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

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

**20 Pension and similar obligations** (continued)

**Valuation of the Teachers' Pension Scheme** (continued)

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

The employer's pension costs paid to TPS in the period amounted to £369,786 (2019: £200,192).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £154,000 (2019 – £149,000), of which employer's contributions totalled £122,000 (2019 – £118,000) and employees' contributions totalled £32,000 (2019 – £31,000). The agreed contribution rates for future years are 23.1 percent for employers and up to 12.5 percent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.2%	2.6%
Rate of increase for pensions in payment / inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.7%	1.8%
Commutation of pensions to lump sums		
. Pre-April 2008 service	25.0%	25.0%
. Post-April 2008 service	63.0%	63.0%

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

**20 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.1	21.6
Females	24.3	23.6
<i>Retiring in 20 years</i>		
Males	22.9	22.5
Females	25.7	25.0

*Sensitivity analysis*

The below analysis shows the monetary increase to the defined benefit obligation for the following changes in assumptions:

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate -0.5%	424	433
Salary increase rate +0.5%	17	42
Pension rate +0.5%	401	384

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	1,630	1,544
Corporate bonds	385	391
Property	181	174
Cash and other liquid assets	68	65
<b>Total market value of assets</b>	<b>2,264</b>	<b>2,174</b>

The actual return on scheme assets was £(80,000) (2019 – £42,000).

	2020 £'000	2019 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	(261)	(209)
Interest income	40	56
Interest cost	(70)	(86)
<b>Total amount recognised in the SOFA</b>	<b>(291)</b>	<b>(239)</b>

**20 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS (continued))***

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
At 1 September	<b>3,764</b>	2,981
Current service cost	<b>261</b>	199
Interest cost	<b>70</b>	86
Employee contributions	<b>32</b>	31
Actuarial loss (gain)	<b>(10)</b>	495
Benefits paid	<b>(54)</b>	(38)
Past service cost (including curtailments)	<b>—</b>	10
<b>At 31 August</b>	<b>4,063</b>	<b>3,764</b>

<b>Changes in the fair value of the Academy's share of scheme assets:</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
At 1 September	<b>2,174</b>	1,935
Interest income	<b>40</b>	56
Actuarial gains	<b>(50)</b>	72
Employer contributions	<b>122</b>	118
Employee contributions	<b>32</b>	31
Benefits paid	<b>(54)</b>	(38)
<b>At 31 August</b>	<b>2,264</b>	<b>2,174</b>

**21 Related party transactions**

Owing to the nature of the Academy's operations 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 a member of the trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

From 5 May 2017, the Headteacher supported Grovelands Primary School as interim Executive Headteacher one day per week, along with other staff going over to support the school. This relationship ceased at 21 June 2019. During the year, Grovelands Primary School were invoiced £Nil by the Academy for the work (2019 – £15,455) and at 31 August 2020, no balance was outstanding (2019 – £nil).

None of the trustees received remuneration or reimbursement of expenses for their services to Grovelands Primary School.

There were no other related party transactions in the year (2019 – none).

