

# **The Skinners' Academy**

## **Report and Financial Statements**

31 August 2020

Company Limited by Guarantee  
Registration Number 06543682  
(England and Wales)

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## Reference and administrative information

<b>Members</b>	The Worshipful Company of Skinners James Leslie Charles Clark Lucy Clare Lee Jocelyn Mitchell
<b>Trustees and Governing Body</b>	Jocelyn Mitchell (Chair) Christina Bankes Shereka James Martin Bienvenu Sarah Caton James Leslie Charles Clark Christopher Dearie Matt Dunston Anton Francic Tim Haynes Belinda Hitchins Evan David Lewis Price Hugh William Whitbread Mark Wickham-Jones
<b>Company Secretary</b>	Vacant
<b>Senior Leadership Team</b>	
Principal	Shereka James
Chief Financial Officer	Olu Alalade
Senior Vice Principal	Jay Kerby
Vice Principal	Catherine Pasterkamp
Assistant Vice Principal	Damian Alexis
Assistant Vice Principal	Kwaku Opoku-Ware
Assistant Vice Principal	Chloe Hakes
Assistant Vice Principal	Patrick Robbins
<b>Registered office</b>	8 Dowgate Hill London EC4R 2SP
<b>Academy office</b>	Woodberry Grove London N4 1SY
<b>Company registration number</b>	06543682 (England and Wales)

## Reference and administrative information

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** National Westminster Bank plc  
3rd Floor  
Lough Point  
Gladbeck Way  
Enfield  
EN2 7JA

The trustees of The Skinners' Academy ('the Academy') present their statutory report together with the financial statements of the Academy for the year ended 31 August 2020. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes the directors' report for the purposes of Companies Act 2006. The annual report serves the purposes of both a trustees' report and a directors' report under company law and the sections headed Strategic Report on pages 7 to 11 fulfil the requirement for a 'Strategic Report' as outlined in the Companies Act 2006 Strategic Report and Directors Report Regulations 2013.

The financial statements have been prepared in accordance with the accounting policies set out therein 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 is a company limited by guarantee with no share capital (Company Registration No. 06543682) and an exempt charity. The Academy's memorandum and articles of association are the primary governing documents. Members of the Academy are nominated by the principal sponsor or by the Secretary of State for Education. The articles of association require that there should be at least three trustees, each being a member or a duly authorised representative of a member organisation, or one third of the total number of trustees to be responsible for the statutory and constitutional affairs and the management of the Academy.

### **Members' liability**

Each member of the Academy undertakes to contribute to the assets of the Academy 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.

### **Trustees**

The trustees are also directors of the Academy for the purposes of the Companies Act. The following trustees were in office at 31 August 2020 and served throughout the year except where shown:

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

**Trustees** (continued)

<b>Trustee</b>	<b>Appointed/Resigned</b>
Jocelyn Mitchell	
Christina Bankes	
John Beighton (Principal)	Resigned 31 July 2020
Martin Bienvenu (Staff trustee)	
Sarah Caton	
James Leslie Charles Clark	
Tim Clark (Principal)	Resigned 31 October 2019
Christopher Dearie	
Matt Dunston (Staff trustee)	
Anton Francic	
Tim Haynes	
Belinda Hitchins	
Shereka James (Principal)	Appointed 1 August 2020
Evan David Lewis Price	
Hugh William Whitbread	
Mark Wickham-Jones	

Mr John Beighton and Mrs Shereka James were remunerated in their position as Principal, and Mr Martin Bienvenu and Mr Matt Dunston are remunerated as employees of the Academy.

**Organisational structure**

The Academy is governed by a board of trustees constituted under a memorandum of association and articles of association. The board of trustees is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy, addressing such matters as:

- ◆ Policy development and strategic development;
- ◆ Ensuring sound management and administration of the Academy;
- ◆ Ensuring compliance with legal requirements;
- ◆ Establishing and maintaining effective internal controls;
- ◆ The management of all resources;
- ◆ The monitoring of performance;
- ◆ Helping the Academy to be responsive to the needs of parents, carers and the community; and
- ◆ Assessing and managing risk.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Organisational structure (continued)

A Governing Body (chaired by a member of the board of trustees) responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and strategic development plans meets four times a year. The governors have delegated components of their responsibility to the Finance and General Purposes Committee.

The Finance and General Purposes Committee is responsible for all financial and resource management and accounting, all internal and external financial reporting, ensuring an effective internal control environment, legal, premises and outstanding construction issues. This Committee is also responsible for advising on matters relating to monitoring all areas of health and safety to ensure compliance of policy, working practices and environment for all staff, students and visitors to the Academy.

Day to day management of the Academy is delegated to the Principal who has appointed a Senior Leadership Team which meets on a frequent basis. The Senior Leadership Team consists of:

Principal	Shereka James
Chief Financial Officer	Olu Alalade
Senior Vice Principal	Jay Kerby
Vice Principal (Acting)	Catherine Pasterkamp
Assistant Vice Principal	Kwaku Opoku-Ware
Assistant Vice Principal	Patrick Robbins
Assistant Vice Principal	Damian Alexis
Assistant Vice Principal	Hannah Potter
Assistant Vice Principal (Acting)	Chloe Hakes

Together the Senior Leadership Team control the Academy at an executive level implementing the policies laid down by the trustees and the Governing Body and reporting back to them and providing evidence, reports and data analysis at the Governing Body meetings, enabling governors to monitor effectively and discharge their oversight functions.

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

The Principal's Performance Review Committee is comprised of three governors, drawn from the Finance and General Purposes Committee and the Education Committee, and is chaired by Mr Dearie. The review is carried out on an annual basis, with the Principal in attendance.

The Pay Review Committee is chaired by Mr J Clark and is comprised of three governors from the Finance and General Purposes Committee and the Chair of Governors. The review is carried out on an annual basis and agrees the Senior Leadership Team salaries for recommendation to the Governing Body.

The Principal undertakes an annual review of all other salaries, in accordance with the Pay Policy.

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

**Trade union facility time**

***Relevant union officials***

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
2	2

***Percentage of time spent on facility time***

Percentage of time	Number of employees
0%	2

***Percentage of pay bill spent on facility time***

Total cost of facility time	£-
Total pay bill	£7,185,426
Percentage of the total pay bill spent on facility time	0%

***Paid trade union activities***

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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**Connected organisations**

The Academy works closely with its sponsor, The Skinners' Company, the Department for Education (DfE), the Education and Skills Funding Agency (ESFA), the Local Education Authority and other local organisations.

**Risk management**

The Academy maintains a risk register which is reviewed by the trustees on a regular basis. This identifies the various types of risk that the Academy is exposed to and monitors the systems in place to mitigate those risks. The following risk areas are included on the register:

- ◆ Physical assets;
- ◆ Business continuity;
- ◆ Financial;
- ◆ Technological;
- ◆ Third party liability;
- ◆ Environmental;

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

### **Risk management** (continued)

- ◆ Legal and compliance;
- ◆ Market and sector;
- ◆ Personnel;
- ◆ Political;
- ◆ Reputational;
- ◆ Data protection; and
- ◆ Covid-19

## **OBJECTIVES AND ACTIVITIES**

### **Objects, aims and objectives**

The Academy's objects ("the Objects") are to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to Business, Enterprise and ICT.

### **Public benefit**

When setting the objectives of the Academy for the year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education.

### **Equal opportunities**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Disabled persons**

The policy of the Academy is to support the recruitment and retention of students and employees with disabilities. Disabled employees are accorded equal opportunities for training, career development and promotion.

## **STRATEGIC REPORT**

### **Achievements and performance**

Following the resignation of the Principal in October 2019, an interim Principal was appointed to lead the Academy for nine months. During this period, a search process was conducted which led to the appointment of a permanent Principal, Mrs Shereka James, who joined on 1 August 2020. Pupil numbers remain strong in Key Stage 3 and 4. Key Stage 5 remains the Academy's most probable area of growth and the combined effect of Academic strategy and financial investment in improved facilities are yielding encouraging results. The current pupil numbers in Key Stage 5 are 145 compared to 132 in Autumn 2019.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

The Academy was required to close during the period of the Covid 19 pandemic lockdown beginning on 20 March 2020. Throughout the lockdown period, the Academy provided remote learning for all pupils. Following the Easter holiday closure, the Academy reopened on 20 April to key worker pupils and pupils considered to be vulnerable and from 15 June reopened to Year 10 and 12 pupils to offer face to face support to supplement on-going remote learning.

Attendance for the Autumn term remained above benchmarks at 94.8% in comparison to national average of 94.4% for secondary schools during the same period. Further national data was suspended due to the disruptions arising from the Covid-19 pandemic.

The 2020 GCSE results were above national average given a rather difficult context with 63% of Year 11 pupils regarded as disadvantaged. The percentage of pupils attaining 5+ in both English and Mathematics was 53% compared to 47% in 2019. The Academy also recorded a significant improvement in progress 8 score of 0.49 compared to 0.16 in 2019. 15% of the cohort achieved their EBACC qualifications in 2020 compared to 14% in 2019.

The Academy's fourth set of A Level results in 2020 resulted in 65 students gaining admission to Universities. Three pupils embarked on apprenticeship schemes with reputable organisations, two have taken up full time employment whilst one student has opted to take a gap year whilst deferring their place at university. 100% of A-Level students achieved A\*-E grades with the average grade achieved being a B grade (up from a C grade in 2019). 18% of our A-Level students achieved AAB. 93% of our BTEC Students achieved at least a double award in their BTEC Qualifications with an average grade of D- (equivalent to A- at A Level).

Extra-curricular activities remain pivotal to the achievement of Academy objectives. For the fifth year running, the Academy continued to fund musical instruments and tuition for all Year 7 pupils, a commitment to help develop skills which pupils can draw upon and enhance their chances of success. The Academy believes and invests in the accumulation of knowledge through experiences gained from residential trips and visits which is designed to not only promote social mobility, but also boost their life chances in a highly stratified society. Unfortunately, the exceptional circumstances around the Covid-19 pandemic restrictions and lockdown led to the cancellation of many of the trips and activities for the year under review.

In the course of the year, the Academy invested resources in significantly increasing the work stations available in the sixth form centre, upgraded desktop work stations for all staff and installed CCTV systems covering the perimeter of the building to enhance the safeguarding of pupils and staff and improve the security of the building and the assets therein.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

The impact of the Covid-19 pandemic continues to be felt from an operational and financial perspective. Other income (Non-GAG funding) was down by 42.5% (£195k) in comparison with budget for the year and 40% (£175k) when compared with prior year. The closure of the Academy premises to lettings, restrictions in catering activities and the curbs to trips and visits all contributed to the drop in other income. This trend is likely to remain as long as the pandemic endures. Although the Academy's going concern status is not under threat, appropriate financial forecasts are being carried out with careful financial planning to ensure loss of potential income streams are mitigated by cost savings in other operational areas through value for money procurement, efficient curriculum planning and effective risk management strategies. These will be complemented by cost control emphasis in other operational areas.

The Covid-19 pandemic has presented the Academy and indeed all educational establishments around the country with unique set of challenges, of which none has ever experienced or were prepared for. Regardless, with the excellent support of Trustees, the Academy dug deep following government guidance and produced a comprehensive risk assessment during the summer term. This has enabled the school community to resume operations in the Autumn within a safe and functional environment. The risk assessment was complemented by several carefully thought through protocols designed to minimise pupil interaction and ensure high levels of respiratory and hand hygiene.

A Covid-19 Risk Management Group was constituted and met weekly to review Academy Covid-19 Reopening Risk Assessment, alongside staff individual risk assessments. This created a platform to consistently identify and review new risks arising and put additional mitigating measures in place which were communicated to staff on a weekly basis. One of the major outcomes of this initiative was the ability to quickly identify staff that fell into the high-risk categories and to put in place commensurate adjustments that helped control their risk exposures to the virus. In addition to this, mental health wellbeing of staff and pupils quickly became a priority and the Academy's partnership with Anna Freud Centre (a national charity for children and families with extensive involvement in supporting schools) offered the much needed mental wellbeing support.

The Academy has also reviewed the capacity of the site during the year, and shortly after the year end have taken delivery of two portable buildings intended to add further available teaching space. The buildings have allowed the Academy to ensure all pupils can receive face to face teaching whilst segregated into respective year group bubbles.

Classroom focus has been around a delivery of a re-connect curriculum, a bespoke set of high-leverage lessons carefully sequenced to simultaneously ensure catch-up on lost grounds during the pandemic and progressing towards planning for the rest of the year. To assist with this, the government has announced a Covid-19 Pupil Catch-up premium funding designed to help the most vulnerable and disadvantaged children catch up and recover lost educational time resulting from the lockdown. This funding will be utilised for specific activities to support pupils such as small group or one to one tuition through the National Tutoring Programme (NTP) and summer programmes to re-engage pupils.

**STRATEGIC REPORT** (continued)

**Financial review**

***Financial report for the period***

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 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £9,105,331 (2019: £8,929,451) (excluding the restricted fixed asset fund, and non-cash movements in defined pension schemes) was more than covered by recurrent grant funding from the ESFA together with other income. The excess of income over expenditure for the year (excluding restricted fixed asset funds and the actuarial gain and other movements on the Local Government Pension Scheme) was £52,897 (2019: £179,723).

At 31 August 2020 the net book value of fixed assets was £24,755,354 (2019: £25,376,505) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

***Reserves policy***

The Academy held fund balances at 31 August 2020 of £25,320,136 (2019: £26,038,608) comprising £2,575,705 (2019: £2,312,550) of unrestricted general funds and £22,344,431 (2019: £23,726,058) of restricted funds which includes the pension reserve deficit of £2,439,000 (2019: £2,522,000) and fixed asset funds of £24,755,354 (2019: £25,376,505).

The trustees have reviewed the reserves of the Academy. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves is consistently kept under review. A proportion of the accumulated GAG reserves is directed towards the maintenance and replacement of the Academy Trust's estate, plant & machinery, equipment and infrastructure in the future.

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so the Academy's primary objective is preserved. At the same time, the Academy wishes to ensure that it uses its funding to benefit the pupils in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Governors continue monitor levels of reserves in financial reports provided by the Chief Financial Officer and in the annual financial statement prepared by the Auditor. Governors will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision.

## **STRATEGIC REPORT** (continued)

### **Financial review** (continued)

#### ***Reserves policy*** (continued)

The deficit on the pension fund relates to the Academy's share of the obligations under the Local Government Pension Scheme (LGPS). Any cash flows as a result of this deficit will occur over several years and contributions will be met from future budgets. The position is supported by the Parliamentary Minute that provides for a guarantee by the Department for Education to meet any outstanding LGPS liabilities in the event of an Academy closure. The guarantee came into force on 18 July 2013.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,575,705 (2019: £2,312,550). The Academy intends to continue monitoring free reserves to ensure they are appropriate.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Retention of Year 11 pupils moving to Year 12 has historically been considered low with the retention rate dropping from 38% in 2018 to 30% in 2019. Whilst the retention rate improved in 2020, the risk remains that this may drop again where appropriate strategies are not in place to maintain the upward trend.

External pressure on staff costs, relating to increased pension and national insurance payments (along with general wage inflation), remains significant. At present, the Academy receives Teachers Pensions and Teacher Pay grant funding. It is not certain for how long this funding will remain available and should this be removed as part of future Government funding reviews, the impact will rapidly deplete the Academy retained reserves into the future. Succession planning in the event of loss of key personnel is also a major risk factor. Governors continue to review the academy staffing structure to ensure that the model is financially sustainable for future years.

More recently, with the on-going shift towards virtual learning, the Academy's network infrastructure would benefit from a strengthening overhaul. As such, the wireless routers are to be replaced with the effect of bolstering and augmenting the existing Wi-Fi access.

To mitigate the Covid-19 risks of poor learning and educational gaps arising from lack of access to digital devices to facilitate remote learning, with the support of Governors, the Academy was able to invest in the purchase of 500 laptops for the most disadvantaged pupils.

Due to Covid-19 pandemic, there is currently some levels of uncertainty about when the Academy will return to letting its facilities to the community, and hence, capacity to generate other income is currently at a low level for the foreseeable future.

### **FUNDRAISING**

The Academy has not actively engaged in fund raising activities in the year under review and therefore is not registered with the Fundraising Regulator or subscribed to any fundraising codes of practice. However, donations have been made to the Academy willingly by individuals or organisations who wish to support the activities of the Academy. To the best of our knowledge, the donors are capable of and have made informed decisions regarding their donations to the Academy. The Academy has also put in place measures to ensure that such donations are used for the intended purpose.

### **PLANS FOR FUTURE PERIODS**

In light of the ongoing impact of Covid-19, the Academy has identified the following areas of focus for future periods.

- ◆ Whilst active independent learning remains a focus, learning and teaching will concentrate on the fundamentals that are known to be the most effective. This will involve the development of a blended learning strategy that identifies how both face to face and remote learning are used to maximise pupil progress.
- ◆ The increased use of technology as the Academy embraces online delivery of teaching and learning. The Academy is committed to investing resources to assist families that may be impacted by the digital divide. In addition, other Academy activities such as parents evening and open evenings may in the short to medium term be virtually facilitated.
- ◆ Developing and implementing a broad and balanced whole school curriculum strategy that is coherent, progressive, challenging and disciplined. This has begun in 2019-20 with a remodelling of curriculum approach with the Academy moving to a 2-year Key Stage 4 provision and extending Key Stage 3 by a further year (Year 9).
- ◆ Continually develop and build cultural capital and wider learning experiences of pupils. By broadening and widening their experiences, pupils will consistently attain and achieve at the highest level possible intellectually and otherwise.
- ◆ Offering staff and pupils a more visible mental health and well-being support system. A new Wellbeing and Mental Health in Schools (WAMHS) worker will be joining the Academy once a week to offer these services. Alongside, the Academy is also in partnership with the Anna Freud Centre to provide confidential support where needed.
- ◆ Financial stability towards the delivery of Academy vision and mission. This will involve sustaining the existing framework of effective and efficient management of financial resources, curriculum-led financial planning, obtaining value for money, effective internal financial controls, all geared towards ensuring our young people access high quality educational provision.

**Trustees' report** Year to 31 August 2020

**AUDITOR**

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the Academy'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.

Trustees' report, incorporating a strategic report, approved by order of the members of the board of trustees and signed on its behalf by:



Jocelyn Mitchell  
Trustee and Chair of Governing Body

Approved by the trustees on: 7th December 2020

### **Scope of responsibility**

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

The trustees and the Governing Body have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Principal is also responsible for reporting to the governing body 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 Governing Body has formally met five times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Number of meetings attended</b>	<b>Out of a possible</b>
Jocelyn Mitchell (Chair)	5	5
John Beighton	3	3
Christina Bankes	4	5
Martin Bienvenu	3	4
Sarah Caton	4	5
James Leslie Charles Clark	5	5
Tim Clark	1	1
Christopher Dearie	4	5
Matt Dunston	4	4
Anton Francic	4	5
Tim Haynes	5	5
Belinda Hitchins	4	5
Evan David Lewis Price	3	5
Hugh William Whitbread	4	5

Attendance at meetings throughout the year has been excellent, with all being quorate.

Despite meeting fewer than six times a year, the Board maintains effective oversight over the Academy's finances and financial controls by reviewing the reports of its dedicated committees.

**Governance** (continued)

The impact and effectiveness of the trustees is kept under review internally.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to take responsibility for all financial and resource management and accounting, all internal and external financial reporting, ensuring an effective internal control environment, legal, premises and outstanding construction issues. This Committee is also responsible for advising on matters relating to monitoring all areas of health and safety to ensure compliance of policy, working practices and environment for all staff, students and visitors to the Academy. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Number of meetings attended</b>	<b>Out of a possible</b>
JLC Clark (Chair)	6	6
J Beighton	5	5
M Bienvenu	2	5
B Hitchins	5	6
J Mitchell	6	6
HW Whitbread	5	6

**Governance reviews**

Governors exercised their duties over the course of the year with a full schedule of meetings. Additionally, where possible, Governors visited the Academy to monitor statutory activities such as safeguarding, health and safety and SEND (Special Educational Needs and Disability). Due to the restrictions surrounding the Covid-19 pandemic, usual visits made to routine lessons, prize giving, and performances were limited in the year under review. Governors took part in training relating to pupil resilience and mental health and received updates from curriculum leaders. The whole governing body undertakes an annual self-review survey to reflect on their own performance, audit available skills and to identify training needs.

**Review of value for money**

As was recommended by the Procurement Policy Note (PPN) 02/20 guidance, the Academy ensured that all suppliers considered to be at risk were continually paid as normal even when service was temporarily suspended due to the pandemic lockdown. The Academy followed the open book recommendations by ensuring that suppliers confirmed no profits were made on undelivered elements of the contract over the lockdown period. Payments were also processed to suppliers without any delay in order to help them maintain their cashflow and protect jobs.

In line with the recommendations of the Procurement Policy Note (PPN) 04/20 guidance, as a contracting authority, the Academy evaluated and determined which suppliers were critical to its continued operation in the medium and long term and whether or not they were financially at risk.

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

Given that the government continued to provide the Academy with expected funding, the Academy took the decision to continue to maintain the delivery of catering services and hence continued to make payments to the catering contractors as normal despite the disruption of service delivery. Payments to the catering contractors included full labour costs and there were no claims made under the Coronavirus Job Retention Scheme.

The Academy has consistently followed the procedures outlined in its procurement policy and thereby continues to obtain value for money in the procurement of services and goods for the Academy.

As Accounting Officer the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved. The accounting officer for the Academy has delivered and improved value for money during the year by ensuring implementation of the following:

- ◆ All purchases, however small, have to be made using the Academy's purchase order system enabling all financial transactions to be checked and critically analysed for value for money
- ◆ The Academy has invested in a new integrated budgeting software HCSS which continually allows for the development of a robust 5-year budget forecast which is refreshed annually. It affords the Academy the opportunity to take anticipated macro-economic changes into consideration when making plans for future periods.
- ◆ Expenditure is compared with other similar local schools through the use of the benchmarking data provided by national league tables, for example, on pupil/teacher ratios, expenditure per pupil and staff cost to total income ratio
- ◆ All expenditure over £2,500 has to receive approval from the CFO, over £10,000 from the Principal and over £25,000 from the governors. Again, these limits enable all significant expenditure to be challenged on the grounds of "best value".

**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. The 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.

**Capacity to handle risk**

The trustees and Governing Body 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 trustees and Governing Body are of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees and Governing Body.

**The risk and control framework**

The new FRC Ethical Standards for Auditors has no impact on the Academy as its internal audit functions are not carried out by external auditor firm. The two audit functions are carried on by two separate legal entities. The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustees and Governing Body;
- ◆ regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The trustees and Governing Body have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Vanessa Hill of Hillyates Chartered Accountants to provide external scrutiny over the Academy's internal system of control. The role includes giving advice on financial matters and performing a risk-based range of checks on the Academy's financial systems. Two external independent scrutiny visits were conducted in January 2020 and July 2020 to examine financial systems and controls. Two separate reports were presented to the governors on the operation of the systems of control and the discharge of the trustees' and Governing Body's financial responsibilities.

**Governance statement** 31 August 2020

**Review of effectiveness**

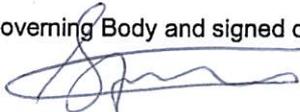
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ◆ the work of the Reporting Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and ensures continuous improvement of the system is in place.

Approved by order of the trustees and Governing Body and signed on their behalf by:

  
Trustee                      Jocelyn Mitchell



Principal and Accounting Officer      Shereka James

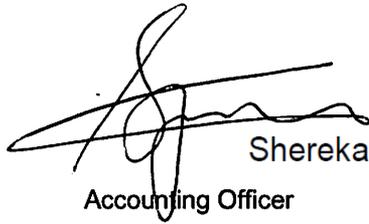
Approved on: *7th December 2020*

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

As Accounting Officer of The Skinners' Academy, I have considered my responsibility to notify the Academy's trustees and Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. 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's trustees and Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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



Shereka James

Accounting Officer

Date: 15/12/2020

**Statement of trustees' responsibilities** 31 August 2020

The trustees (who act as governors of the Academy and 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 Requirements 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 the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

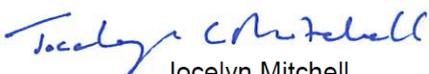
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting 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 proper 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 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 and signed on its behalf by:

Trustee   
Jocelyn Mitchell

Date: 7th December 2020

## **Independent auditor's reports** Year to 31 August 2020

### **Independent auditor's report on the financial statements to the members of The Skinners' Academy**

#### **Opinion**

We have audited the financial statements of The Skinners' Academy (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) 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 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.

## **Independent auditor's reports** Year to 31 August 2020

### **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 returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records 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.

## **Independent auditor's reports** Year to 31 August 2020

### **Requirements 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.



Edward Finch (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

22 December 2020

## **Independent auditor's reports** Year to 31 August 2020

### **Independent reporting accountant's report on regularity to The Skinners' Academy and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 11 September 2018 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 The Skinners' Academy 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 The Skinners' Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Skinners' Academy 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 Skinners' Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Skinners' Academy's Accounting Officer and the reporting auditor**

The Accounting Officer is responsible, under the requirements of The Skinners' Academy's funding agreement with the Secretary of State for Education dated 30 April 2008 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 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.

## Independent auditor's reports Year to 31 August 2020

### Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy'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.



Buzzacott LLP  
Chartered Accountant  
130 Wood Street  
London  
EC2V 6DL

22 December 2020

## Statement of financial activities Year to 31 August 2020

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Un-restricted general funds £	Restricted general funds £	Restricted fixed asset funds £	2020 Total funds £	2019 Total funds £
<b>Income from:</b>						
Donations and capital grants	2	29,000	—	117,430	<b>146,430</b>	235,986
Charitable activities						
. Funding for the Academy's educational operations	4	—	8,895,073	—	<b>8,895,073</b>	8,597,607
Other trading activities	5	217,406	—	—	<b>217,406</b>	400,915
Investments	3	16,749	—	—	<b>16,749</b>	19,195
<b>Total income</b>		<b>263,155</b>	<b>8,895,073</b>	<b>117,430</b>	<b>9,275,658</b>	<b>9,253,703</b>
<b>Expenditure on:</b>						
Charitable activities						
. Academy's educational operations	6	—	9,448,331	971,799	<b>10,420,130</b>	10,123,442
<b>Total expenditure</b>		<b>—</b>	<b>9,448,331</b>	<b>971,799</b>	<b>10,420,130</b>	<b>10,123,442</b>
<b>Net income (expenditure)</b>	16	263,155	(553,258)	(854,369)	<b>(1,144,472)</b>	(869,739)
Transfers between funds		—	(233,218)	233,218	—	—
<b>Other recognised gains and losses</b>						
Actuarial gain (loss) on defined benefit pension schemes	22	—	426,000	—	<b>426,000</b>	(1,204,000)
<b>Net movement in funds</b>		263,155	(360,476)	(621,151)	<b>(718,472)</b>	(2,073,739)
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 September 2019		2,312,550	(1,650,447)	25,376,505	<b>26,038,608</b>	28,112,347
<b>Fund balances carried forward at 31 August 2020</b>		<b>2,575,705</b>	<b>(2,010,923)</b>	<b>24,755,354</b>	<b>25,320,136</b>	<b>26,038,608</b>

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

**Balance sheet** 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	12		24,755,354		25,376,505
<b>Current assets</b>					
Debtors	14	444,193		370,785	
Cash at bank and in hand		<u>2,889,909</u>		<u>3,125,741</u>	
		3,334,102		3,496,526	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	<u>(330,320)</u>		<u>(312,423)</u>	
<b>Net current assets</b>			<u>3,003,782</u>		<u>3,184,103</u>
<b>Total net assets less current liabilities</b>			<u>27,759,136</u>		<u>28,560,608</u>
<b>Net assets excluding pension scheme liability</b>			<u>27,759,136</u>		<u>28,560,608</u>
Pension scheme liability	22		<u>(2,439,000)</u>		<u>(2,522,000)</u>
<b>Total net assets</b>			<u>25,320,136</u>		<u>26,038,608</u>
<b>Restricted funds</b>					
Fixed asset funds	16		24,755,354		25,376,505
Restricted income funds	16		428,077		871,553
Pension reserve	16		<u>(2,439,000)</u>		<u>(2,522,000)</u>
<b>Total restricted funds</b>			<u>22,744,431</u>		<u>23,726,058</u>
<b>Unrestricted income funds</b>					
General fund	16		<u>2,575,705</u>		<u>2,312,550</u>
<b>Total funds</b>			<u>25,320,136</u>		<u>26,038,608</u>

Approved by the trustees and signed on their behalf by:

  
Trustee Jocelyn Mitchell

Approved on: 7th December 2020

Company Limited by Guarantee  
Registration Number  
06543682 (England and Wales)

## Consolidated statement of cash flows Year to 31 August 2020

		2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash (used in) provided by operating activities	A	(19,363)	217,948
<b>Cash flows from investing activities</b>			
Net cash provided by (used in) investing activities	B	(216,469)	948
<b>Change in cash and cash equivalents in the year</b>		<b>(235,832)</b>	<b>218,896</b>
<b>Cash and cash equivalents at 1 September</b>		<b>3,125,741</b>	<b>2,906,845</b>
<b>Cash and cash equivalents at 31 August</b>	C	<b>2,889,909</b>	<b>3,125,741</b>

### A Reconciliation of income to net cash flow from operating activities

		2020 £	2019 £
<b>Net expenditure for the year (as per the statement of financial activities)</b>		<b>(1,144,472)</b>	<b>(869,739)</b>
<b>Adjusted for:</b>			
Depreciation charges (note 12)		971,799	931,991
Capital grants from DfE and other capital income		(117,430)	(168,386)
Interest receivable (note 3)		(16,749)	(19,195)
Defined benefit pension scheme cost less contributions payable (note 22)		292,000	231,000
Defined benefit pension scheme finance cost (note 22)		51,000	31,000
(Increase) decrease in debtors		(73,408)	85,546
Increase (decrease) in creditors		17,897	(4,269)
<b>Net cash (used in) provided by operating activities</b>		<b>(19,363)</b>	<b>217,948</b>

### B Cash flows from investing activities

		2020 £	2019 £
Dividends, interest and rents from investments		16,749	19,195
Purchase of tangible fixed assets		(350,648)	(186,633)
Capital grants from DfE/ESFA		117,430	168,386
<b>Net cash provided by (used in) investing activities</b>		<b>(216,469)</b>	<b>948</b>

### C Analysis of cash and cash equivalents

		2020 £	2019 £
Cash at bank and in hand		2,889,909	3,125,741
<b>Total cash and cash equivalents</b>		<b>2,889,909</b>	<b>3,125,741</b>

**Consolidated statement of cash flows** Year to 31 August 2020

**D Analysis of changes in net debt**

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash	3,125,741	(235,832)	<b>2,889,909</b>
<b>Total</b>	<b>3,125,741</b>	<b>(235,832)</b>	<b>2,889,909</b>

## **Principal accounting policies** Year to 31 August 2020

### **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, which is a public benefit entity under FRS 102, 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 (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The accounts are presented in pound sterling and rounded to the nearest pound.

### **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. In making this assessment, the trustees have considered the impact of Covid-19 on the future income, expenditure and activities of the Academy.

### **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.

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.

## **Principal accounting policies** Year to 31 August 2020

### **Income** (continued)

#### ***Grants*** (continued)

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.

#### ***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 has provided the goods or services.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

#### ***Charitable activities***

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

All expenditure is stated net of recoverable VAT.

## Principal accounting policies Year to 31 August 2020

### Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:

- ◆ Furniture, fittings and equipment - 10% p.a.
- ◆ Buildings - 2% p.a.
- ◆ Motor vehicles - 20% p.a.
- ◆ Computers - 33% p.a.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are 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 in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

### Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

### 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. They have been discounted to the present value of the future cash payment where such discounting is material.

### Leased assets

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

## Principal accounting policies Year to 31 August 2020

### Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### 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 are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

## **Principal accounting policies** Year to 31 August 2020

### **Pensions benefits** (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

### **Fund accounting**

The unrestricted general fund represents those monies that are freely available for application towards achieving any charitable purpose that falls within the Academy's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

### **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 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.

**Critical accounting estimates and areas of judgement** (continued)

***Critical accounting estimates and assumptions*** (continued)

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 22, 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 2013 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.

The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.

***Critical areas of judgement***

Other than the estimates discussed above, the governors do not consider that there are any key judgements made in the preparation of the financial statements.

## Notes to financial statements Year to 31 August 2020

### 1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy did not exceed these limits at 31 August 2020.

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed assets funds £	2020 Total funds £	2019 Total funds £
Capital grants	—	—	117,430	117,430	168,386
Other donations	29,000	—	—	29,000	67,600
	29,000	—	117,430	146,430	235,986

### 3 Investment income

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Interest receivable	16,749	—	16,749	19,195
	16,749	—	16,749	19,195

### 4 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>DfE/ESFA grants</b>				
. General Annual Grant (GAG)	—	8,169,270	8,169,270	7,881,864
. Pupil Premium	—	472,442	472,442	500,302
. Other DfE/ESFA grants	—	35,744	35,744	64,662
	—	8,677,456	8,677,456	8,446,828
<b>Exceptional government funding</b>				
Coronavirus exceptional support	—	37,481	37,481	—
	—	37,481	37,481	—
<b>Other Government grants</b>				
. Local authority grants	—	180,136	180,136	150,779
	—	180,136	180,136	150,779
<b>Total Funds</b>	—	8,895,073	8,895,073	8,597,607

**Notes to financial statements** Year to 31 August 2020

**4 Funding for Academy’s educational operations** (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

- ◆ The funding received for coronavirus exceptional support covers £37,481 of additional Free School Meal costs, made outside of the national voucher scheme. These costs are included in notes 6 and 7 below as appropriate.

**5 Other trading activities**

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Hire of facilities/lettings income	18,719	—	<b>18,719</b>	39,664
Trip income	24,038	—	<b>24,038</b>	50,290
Catering income	125,574	—	<b>125,574</b>	182,856
Miscellaneous income	49,075	—	<b>49,075</b>	128,105
	<u>217,406</u>	<u>—</u>	<u><b>217,406</b></u>	<u>400,915</u>

**6 Expenditure**

	Staff costs £	Non pay expenditure		2020 Total funds £	2019 Total funds £
		Premises £	Other costs £		
Academy’s educational operations					
. Direct costs	6,262,274	971,799	498,022	<b>7,732,095</b>	7,248,495
. Allocated support costs (note 7)	1,454,785	509,519	723,731	<b>2,688,035</b>	2,874,947
	<u>7,717,059</u>	<u>1,481,318</u>	<u>1,221,753</u>	<u><b>10,420,130</b></u>	<u>10,123,442</u>

	2020 funds £	2019 funds £
<b>Net income (expenditure) for the year includes:</b>		
Operating lease rentals	<b>8,551</b>	11,181
Depreciation	<b>971,799</b>	931,991
Fees payable to the auditor for:		
. Audit	<b>13,190</b>	12,810
. Other services	<b>3,100</b>	3,030

**Notes to financial statements** Year to 31 August 2020

**7 Charitable activities**

	<b>2020 Total funds £</b>	2019 Total funds £
Direct costs – educational operations	<b>7,732,095</b>	7,248,495
Support costs – educational operations	<b>2,688,035</b>	2,874,947
	<b>10,420,130</b>	10,123,442

	<b>2020 Total funds £</b>	2019 Total funds £
<b>Analysis of support costs</b>		
Support staff costs	<b>1,454,785</b>	1,512,035
Depreciation	—	150,920
Technology costs	<b>18,683</b>	12,483
Premises costs	<b>509,519</b>	497,644
Other support costs	<b>689,188</b>	684,395
Governance costs	<b>15,860</b>	17,470
<b>Total support costs</b>	<b>2,688,035</b>	2,874,947

## Notes to financial statements Year to 31 August 2020

### 8 Comparative information

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

	Notes	Un-restricted general funds £	Restricted general funds £	Restricted fixed asset funds £	2019 Total funds £
<b>Income from:</b>					
Donations and capital grants	2	100	91,357	144,529	<b>235,986</b>
Charitable activities					
. Funding for the Academy's educational operations	4	—	8,597,607	—	<b>8,597,607</b>
Other trading activities	5	400,915	—	—	<b>400,915</b>
Investments	3	19,195	—	—	<b>19,195</b>
<b>Total income</b>		<b>420,210</b>	<b>8,688,964</b>	<b>144,529</b>	<b>9,253,703</b>
<b>Expenditure on:</b>					
Charitable activities					
. Academy's educational operations	6	—	9,191,451	931,991	<b>10,123,442</b>
<b>Total expenditure</b>		<b>—</b>	<b>9,191,451</b>	<b>931,991</b>	<b>10,123,442</b>
<b>Net income (expenditure)</b>	16	<b>420,210</b>	<b>(502,487)</b>	<b>(787,462)</b>	<b>(869,739)</b>
Transfers between funds		—	—	—	—
<b>Other recognised gains and losses</b>					
Actuarial loss on defined benefit pension schemes	22	—	(1,204,000)	—	<b>(1,204,000)</b>
<b>Net movement in funds</b>		<b>420,210</b>	<b>(1,706,487)</b>	<b>(787,462)</b>	<b>(2,073,739)</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 September 2018		1,892,340	56,040	26,163,967	<b>28,112,347</b>
<b>Fund balances carried forward at 31 August 2019</b>		<b>2,312,550</b>	<b>(1,650,447)</b>	<b>25,376,505</b>	<b>26,038,608</b>

### 9 Staff

#### a) Staff costs

Staff costs during the period were:

	2020 £	2019 £
Wages and salaries	<b>5,318,757</b>	5,247,744
Social security costs	<b>578,689</b>	566,376
Pension costs	<b>1,287,980</b>	1,051,142
	<b>7,185,426</b>	6,865,262
Supply staff costs	<b>531,633</b>	433,992
Non – contractual payment	<b>—</b>	49,999
	<b>7,717,059</b>	7,349,253

**9 Staff (continued)**

**b) Non-statutory/non-contractual agreements**

During the prior year, ended 31 August 2019, one non-contractual payment of £49,999 was accrued in relation to one member of staff. As detailed in note 9 these costs were funded by Skinners' Company and not from the funds of the Academy. These amounts were accrued at the year end date with payment made in the year ended 31 August 2020. No other such transactions were made in the period of these financial statements.

**c) Staff numbers**

The average number of persons (including the senior management team) employed by the Academy during the year ended 31 August 2020 expressed as average headcount was as follows:

	2020 No.	2019 No.
Teachers	74	77
Administration and support	63	69
Management	9	9
	<b>146</b>	<b>155</b>

**d) Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	2020	2019 No.
£60,001 - £70,000	4	3
£70,001 - £80,000	4	—
£80,001 - £90,000	1	1
£110,001 - £120,000	1	—
£130,001 - £140,000	—	1

**e) Key management personnel**

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total cost of employment (including employer pension contributions and employer's national insurance contributions) of key management personnel for their services to the Academy was £919,085 (2019: £775,186).

**10 Trustees' remuneration and expenses**

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, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

**Notes to financial statements** Year to 31 August 2020

**10 Trustees' remuneration and expenses (continued)**

	<b>2020</b> <b>£'000</b>	2019 £'000
S James (Headteacher and Trustee)		
. Remuneration	<b>5 – 10</b>	—
. Employer's pension contributions	<b>0 – 5</b>	—
J Beighton (Headteacher and Trustee)		
. Remuneration	<b>115 – 120</b>	—
. Employer's pension contributions	<b>—</b>	—
T Clark (Headteacher and trustee)		
. Remuneration	<b>15 – 20</b>	135 – 140
. Employer's pension contributions	<b>0 – 5</b>	20 – 25
. Non-contractual payments	<b>—</b>	45 – 50
M Dunstan (Staff trustee)		
. Remuneration	<b>50 – 55</b>	30 – 35
. Employer's pension contributions	<b>10 – 15</b>	0 – 5
M Bienvenu (Staff trustee)		
. Remuneration	<b>35 – 40</b>	35 – 40
. Employer's pension contributions	<b>5 – 10</b>	5 – 10
M Arthur (Staff trustee)		
. Remuneration	<b>—</b>	15-20
. Employer's pension contributions	<b>—</b>	—

Mr Clark left the Academy on 21 October 2019 after seven years in post. In recognition for his service Skinners' Company, as Academy sponsor, agreed to fund a non-contractual payment to Mr Clark from the Company's resources.

The corresponding income is shown as a donation in note 2 to the financial statements.

No expenses were reimbursed to governors in the year (2019 – none).

Other related party transactions involving the trustees are set out in note 18.

**11 Governors' and Officers' Insurance**

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

## Notes to financial statements Year to 31 August 2020

### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total funds £
<b>Cost</b>					
At 1 September 2019	29,490,015	1,535,077	936,482	43,847	<b>32,005,421</b>
Additions	3,468	78,545	268,635	—	<b>350,648</b>
At 31 August 2020	<u>29,493,483</u>	<u>1,613,622</u>	<u>1,205,117</u>	<u>43,847</u>	<b><u>32,356,069</u></b>
<b>Depreciation</b>					
At 1 September 2019	5,000,270	1,066,102	518,697	43,847	<b>6,628,916</b>
Charge in period	589,847	155,672	226,280	—	<b>971,799</b>
At 31 August 2020	<u>5,590,117</u>	<u>1,221,774</u>	<u>744,977</u>	<u>43,847</u>	<b><u>7,600,715</u></b>
<b>Net book value</b>					
At 31 August 2020	<u>23,903,366</u>	<u>391,848</u>	<u>460,140</u>	<u>—</u>	<b><u>24,755,354</u></b>
At 31 August 2019	<u>24,489,745</u>	<u>468,975</u>	<u>417,785</u>	<u>—</u>	<b><u>25,376,505</u></b>

The land which the Academy is sited is currently leased from the London Borough of Hackney and the Skinners' Company at a peppercorn rent.

### 13 Taxation

The Academy is an exempt charity and therefore is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charities.

### 14 Debtors

	2020 £	2019 £
VAT recoverable	<b>170,432</b>	81,655
Other debtors	<b>5,687</b>	—
Prepayments and accrued income	<b>268,074</b>	289,130
	<b><u>444,193</u></b>	<u>370,785</u>

### 15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	—	—
Taxation and social security	<b>144,509</b>	140,928
Accruals and deferred income	<b>157,790</b>	143,474
Other creditors	<b>28,021</b>	28,021
	<b><u>330,320</u></b>	<u>312,423</u>

	2020 £	2019 £
<b>Deferred income</b>		
Deferred income at 1 September	—	21,165
Released during the year	—	(21,165)
Resources deferred in the year	—	—
Deferred income at 31 August	<u>—</u>	<u>—</u>

Notes to financial statements Year to 31 August 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	599,459	8,169,270	(8,379,528)	(233,218)	155,983
. Pupil Premium	272,094	472,442	(472,442)	—	272,094
. Other grants	—	253,361	(253,361)	—	—
. Pension reserve	(2,522,000)	—	(343,000)	426,000	(2,439,000)
	<u>(1,650,447)</u>	<u>8,895,073</u>	<u>(9,448,331)</u>	<u>192,782</u>	<u>(2,010,923)</u>
<b>Restricted fixed assets fund</b>					
. DfE/ESFA capital grants	898,908	117,430	(34,424)	—	981,914
. Capital expenditure from GAG	1,980,185	—	(75,832)	233,218	2,137,571
. Gifts in kind & donations	22,497,412	—	(861,543)	—	21,635,869
	<u>25,376,505</u>	<u>117,430</u>	<u>(971,799)</u>	<u>233,218</u>	<u>24,755,354</u>
<b>Total restricted funds</b>	<u>23,726,058</u>	<u>9,012,503</u>	<u>(10,420,130)</u>	<u>426,000</u>	<u>22,744,431</u>
<b>Unrestricted funds</b>					
. General funds	2,312,550	263,155	—	—	2,575,705
<b>Total unrestricted funds</b>	<u>2,312,550</u>	<u>263,155</u>	<u>—</u>	<u>—</u>	<u>2,575,705</u>
<b>Total funds</b>	<u>26,038,608</u>	<u>9,275,658</u>	<u>(10,420,130)</u>	<u>426,000</u>	<u>25,320,136</u>

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

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

These grants relate to the Academy's development and operational activities.

*General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Note 1 discloses whether the limit was exceeded.

**Fixed asset fund**

These grants relate to capital funding to carry out works of a capital nature. The transfer between funds relates to purchase of capital items using ESFA restricted general funds.

**Pension reserve**

The pension reserve relates to the Academy's share of the deficit of the Pension Scheme.

**Notes to financial statements** Year to 31 August 2020

**16 Funds** (continued)

**Comparative information**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	837,296	7,881,865	(8,119,702)	—	<b>599,459</b>
. Start Up Grant	—	—	—	—	—
. Pupil Premium	274,744	500,302	(502,952)	—	<b>272,094</b>
. Other grants	—	256,798	(256,798)	—	—
. Sponsor funding	—	49,999	(49,999)	—	—
. Pension reserve	(1,056,000)	—	(262,000)	(1,204,000)	<b>(2,522,000)</b>
	<u>56,040</u>	<u>8,688,964</u>	<u>(9,191,451)</u>	<u>(1,204,000)</u>	<u><b>(1,650,447)</b></u>
<b>Restricted fixed assets fund</b>					
. DfE/ESFA capital grants	786,875	144,529	(32,496)	—	<b>898,908</b>
. Capital expenditure from GAG	2,231,258	—	(251,073)	—	<b>1,980,185</b>
. Gifts in kind & donations	23,145,834	—	(648,422)	—	<b>22,497,412</b>
	<u>26,163,967</u>	<u>144,529</u>	<u>(931,991)</u>	<u>—</u>	<u><b>25,376,505</b></u>
<b>Total restricted funds</b>	<u>26,220,007</u>	<u>8,833,493</u>	<u>(10,123,442)</u>	<u>(1,204,000)</u>	<u><b>23,726,058</b></u>
<b>Unrestricted funds</b>					
. General funds	1,892,340	420,210	—	—	<b>2,312,550</b>
<b>Total unrestricted funds</b>	<u>1,892,340</u>	<u>420,210</u>	<u>—</u>	<u>—</u>	<u><b>2,312,550</b></u>
<b>Total funds</b>	<u>28,112,347</u>	<u>9,253,703</u>	<u>(10,123,442)</u>	<u>(1,204,000)</u>	<u><b>26,038,608</b></u>

**Notes to financial statements** Year to 31 August 2020

**17 Analysis of net assets between funds**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2020 £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	—	—	24,755,354	<b>24,755,354</b>
Current assets	2,575,705	758,397	—	<b>3,334,102</b>
Current liabilities	—	(330,320)	—	<b>(330,320)</b>
Pension scheme liability	—	(2,439,000)	—	<b>(2,439,000)</b>
<b>Total net assets</b>	<b>2,575,705</b>	<b>(2,010,923)</b>	<b>24,755,354</b>	<b>25,320,136</b>

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2019 £
<i>Fund balances at 31 August 2019 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	25,376,505	<i>25,376,505</i>
<i>Current assets</i>	<i>2,312,550</i>	<i>1,183,976</i>	—	<i>3,496,526</i>
<i>Current liabilities</i>	—	<i>(312,423)</i>	—	<i>(312,423)</i>
<i>Pension scheme liability</i>	—	<i>(2,522,000)</i>	—	<i>(2,522,000)</i>
<i>Total net assets</i>	<i>2,312,550</i>	<i>(1,650,447)</i>	<i>25,376,505</i>	<i>26,038,608</i>

**18 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain donations, trustees' remuneration and expenses already disclosed in note 2 and 9.

**19 Capital commitments**

	2020 £	2019 £
Contracted for, but not provided in the financial statements	—	—

## 20 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:

	2020 £	2019 £
Amounts due within one year	10,943	8,551
Amounts due between one and five years	47,584	1,783
	<b>58,527</b>	<b>10,334</b>

## 21 Members Liability

Each member of the Academy undertakes to contribute to the assets of the Academy 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.

## 22 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson. 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 2016.

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

### *Teachers' Pension Scheme*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

## 22 Pension and similar obligations (continued)

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £749,219 (2019: £553,365).

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 £ (2019 - £349,000), of which employer's contributions totalled £247,000 (2019 - £267,000) and employees' contributions totalled £79,000 (2019 - £74,000). The agreed contribution rates for 2020/21 are 19.8% (2019/20 - 21.3%) of employers and between 5.5% (2019/20 - 5.5%) and 12.5% (2019/20 - 12.5%) of employees.

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

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

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	2.5%	3.4%
Rate of increase for pensions in payment/inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.7%	1.9%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.2	21.3
Females	23.4	23.3
<i>Retiring in 20 years</i>		
Males	22.4	21.9
Females	25.1	24.3

Sensitivity analysis	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate -0.5%	1,054	1,125
Salary increase rate +0.5%	79	180
Pension increase rate +0.5%	975	920

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	2,700	2,547
Bonds	886	684
Property	363	380
Cash	81	190
<b>Total market value of assets</b>	<b>4,030</b>	<b>3,801</b>
Present value of scheme liabilities		
· Funded	(6,469)	(6,323)
<b>Deficit in the scheme</b>	<b>(2,439)</b>	<b>(2,522)</b>

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

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

The actual return on scheme assets was £125,000 (2019: £125,000).

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service costs (net of employer contributions)	539	409
Past service cost	—	89
Net interest cost	51	31
<b>Total operating charge</b>	<b>590</b>	<b>529</b>
<b>Analysis of pension finance income (costs)</b>		
Expected return on pension scheme assets	75	96
Interest on pension liabilities	(126)	(127)
<b>Pension finance income</b>	<b>(51)</b>	<b>(31)</b>

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September	6,323	4,306
Current service cost	539	409
Interest cost	126	127
Employee contributions	79	82
Past service cost	—	89
Actuarial (loss) gain	(587)	1,319
Benefits paid	(11)	(9)
<b>At 31 August</b>	<b>6,469</b>	<b>6,323</b>

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September	3,801	3,250
Interest income	75	96
Actuarial gain	(161)	115
Employer contributions	247	267
Employee contributions	79	82
Benefits paid	(11)	(9)
<b>At 31 August</b>	<b>4,030</b>	<b>3,801</b>

**23 Agency arrangements**

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £25,492 (2019: £25,492) and disbursed £25,492 (2019: £25,492). An amount of £28,021 (2019: £28,021) is included in other creditors in relation to carried forward unutilised Post 16 funding.