

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	U Saeed J R Edwards T Hussey-Yeo S Bower (appointed 1 September 2019)
Trustees	U Saeed, Parent Governor, Chair J R Edwards, Business Governor E Akunda, Parent Governor S Asad, Parent Governor N Begum, Community Governor P Highfield, Staff Governor T Hussey-Yeo, Business Governor N Fear, Staff Governor (appointed 22 June 2018, resigned 12 May 2019) S Bower, Business Governor (appointed 5 December 2017, resigned 31 August 2019) S Hawkins, Headteacher and Accounting Officer (resigned 30 September 2018) R Smith, Headteacher and Accounting Officer (appointed 1 November 2018) D Smedley, Secretary (appointed 16 October 2017, resigned 31 May 2019) M Shiels, Secretary (appointed 13 May 2019) R Steele, Business Governor (appointed 7 January 2019) T Ball, Business Governor (appointed 7 January 2019) J Irwin, Community Governor (appointed 8 October 2018)
Company registered number	08090074
Company name	Fir Vale School Academy Trust
Principal and registered office	Owler Lane Sheffield South Yorkshire S4 8GB
Company secretary	M Sheils (appointed 1 June 2019)
Senior management team	R Smith, Headteacher (appointed 1 November 2018) S Hawkins, Headteacher (resigned 30 September 2018) D Smedley, Former School Business Manager (resigned 31 May 2019) M Shiels, School Business Manager (appointed 13 May 2019) I Galmes, Assistant Headteacher (appointed 19 January 2019) K Dobrowolski, Assistant Headteacher (appointed 1 September 2018)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

E Montgomery, Assistant Headteacher
D Partington, Assistant Headteacher
A Murray, Assistant Headteacher (appointed 1 September 2018) (resigned 30 April 2019)
A Charlton, Deputy Headteacher

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(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditor	BHP LLP Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Bankers	Lloyds TSB Church Street Sheffield South Yorkshire S1 1HP
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in North East Sheffield. It has a pupil capacity of 1050, the number on roll was 940 on school census day 3rd October 2019.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee with no share capital (registration number 08090074) and a charity which is exempt from registration with the Charity Commission. The Charitable Company was incorporated on 31 May 2012 and commenced trading on 1 November 2012 following conversion to academy status of the local authority maintained school – Fir Vale School – under the Academies Act 2010.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The trustees of the Charitable Company of Fir Vale School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Fir Vale School.

Details of trustees, who served throughout the year except as noted, are included in the Reference and Administrative Information on page 1.

The School's principal activities are guided by the Trust's Articles of Association and its funding agreement with the Department for Education. Under the agreement, the Trust maintains Fir Vale School, as an independent secondary school, having the characteristic set out in the Academies Act 2010.

b. Members' liability

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

c. Method of recruitment and appointment or election of Trustees

The School's Governing Body comprises of Parent, Staff, Community and Business Governors. Our Articles of Association provide for the following Governor positions:

- Three Parent Governors
- Two Community Governors, being individuals who live or work in the community served by the School or who are committed to the government and success of the Academy
- Five Business Governors who support the business specialism status of the Academy
- The Headteacher
- Two Staff Governors, not being more than one third of the total

The Articles of Association permit the Governing Body to appoint up to three co opted Governors to assist the School. The Secretary of State for Education may, in special circumstances, appoint further and additional Governors. No co opted or Secretary of State Appointees were made during the year.

d. Policies adopted for the induction and training of Trustees

Newly appointed governors attend induction training on appointment provided by the school and by Sheffield Local Authority Governance Section. The training includes: the main governing body and subcommittee roles; strategic leadership role; being a critical friend; effective meetings; planning, monitoring and evaluating the work of the school; accountability; how the governing body communicates and consults and how it accounts for its actions to stakeholders.

One of the members (U Saeed) has the responsibility of induction and on going training of all Governors.

Further governance training was provided to the relevant governors in connection with their responsibilities on their various committees and also at sessions scheduled to take place prior to meetings of the full governing body.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Organisational structure

Subject to the mandates imposed by the Companies Act 2006, the Articles of Association ensure that the activities of the Academy Trust are managed by Governors who exercise all the powers of the Academy Trust with very few exceptions reserved to the members. The Governing Body's scheme of delegation provides for decisions to be taken at the most appropriate level by its committees and staff through the management structure. The key responsibilities reserved by the Governing Body include: the responsibility to ensure that adequate operational systems and controls are in place and implemented to meet the School's regulatory and funding obligations; ensure up to date School's accounting policies; ensure the setting of the annual School budget; determining financial matters of a higher value not delegated to its committees or the School's staff; the appointment of its auditors; the security of the School's assets and appointment of the Headteacher.

The Governing Body is supported by a number of committees as part of its decision making process. Each committee has a responsibility to review and update relevant policies and procedures.

In 2018/19 the Governing Body oversaw all activities / meetings of the Governing Body including the setting of agendas, strategic overview for the school and took specific responsibility for all personnel and pay matters. The committee delegated to members of staff, HR matters such as recruitment, disciplinary and capability matters.

The Finance and Resources Committee oversees finances, budget and expenditure, the school site and premises, Enterprise Centre and other business plans, contracts and performance on contracts, health and safety, security and risk management.

The Achievement, Teaching, Learning and Assessment Committee has a focus on student achievement, progress and attainment, the quality of teaching and learning and the delivery of department improvement plans. Through the meetings, individual curriculum areas present their departmental results and improvement plans which are then questioned by Governors.

The Senior Leadership Team (SLT) comprises the Headteacher, Deputy Headteacher, Business Manager, three Assistant Headteachers and invited colleagues. The Headteacher Simon Hawkins joined the school on 1 September 2017 and left by mutual agreement with the Governing Body on 30 September 2018. Rachel Smith joined the school on 1 November 2018 as Headteacher. The SLT determined the strategic direction of the School, making policy recommendations to the Governing Body. The SLT had operational control of the school and monitored the quality of provision.

Middle Leaders at all levels contributed to the decision making processes and were instrumental in ensuring the implementation in their area of whole school policies and procedures. Subject leaders and pastoral leaders met together regularly and their meetings served both to further the school improvement agenda and provided additional professional development for these colleagues.

Line management structures are a key part of the organisation of the School, ensuring dialogues and accountability for performance. All colleagues were subject to appraisal review of their performance, the targets contained in which all contributed to the achievement of the School's Improvement Plan.

The School's Financial Control Group comprised of the Headteacher and Business Manager who collectively assessed the School's financial position and formulated recommendations to the Finance and Resources Committee as part of the budget setting, monitoring and planning process.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Arrangements for setting pay and remuneration of key management personnel

All Trustees gave their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 11 to the accounts.

The pay of the senior staff; Headteachers, Deputy Headteachers, Business Manager and Assistant Headteachers is considered and set in line with the 'School teachers' pay and conditions document 2018 and guidance on school teachers' pay and conditions' September 2018 as published by the Department for Education and the school pay policy.

g. Trade union facility time

No time has been spent on trade union activities.

h. Related parties and other connected charities and organisations

The School did not operate any formal federation relationships with other education establishments but its staff, across the curriculum, share their experience with many other schools. This collaborative work, in furtherance of the Trust's charitable object, is detailed under the heading 'Achievements and Performance' below.

i. Risk management

The Governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching and other operational areas and its finances. The Governors have implemented a number of systems to assess the risk that the School faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and educational visits) and in relation to the control of finance. Systems are in place, including operational procedures (e.g. vetting of new staff and visitors, supervision of the school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, the Governors have ensured they have adequate insurance cover alongside controls. The School has an effective system of internal financial controls and further details have been provided below.

j. Trustees' indemnities

Trustees are covered by the School's insurer for liability arising from negligent acts, errors and omissions committed in good faith.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

a. Objects and aims

The Academy Trust's object is: to advance for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The School provides a broad and balanced curriculum with the overarching aim of providing courses well matched to students' needs, abilities, aptitudes and aspirations. The School is at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community.

In the year ending 31 August 2019 admission arrangements were those which apply to local authority maintained schools and under which the school previously operated. We place an emphasis on meeting the needs of individual students, including those with SEN (with or without statements) and those who are high achievers.

The school provides education for Year 7 to Year 11 students of different abilities who are wholly or mainly drawn from the area in which the school is situated.

At Fir Vale School we aim to:

- Advance education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- Promote for the benefit of the inhabitants of Sheffield and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need for such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.
- Provide equality of opportunity for each student and to encourage the realisation of his/her full potential.
- Enable each student to experience enjoyment in learning and to encourage the development of self confidence, a lively enquiring mind, independence of thought and a sense of pride in work and achievement.
- Help each student to communicate clearly, to use language and number effectively, to apply knowledge successfully and to make full use of modern technology.
- Encourage each student to develop physical, creative and intellectual skills to the full.
- Encourage each student to develop a sense of responsibility, an awareness of right and wrong and tolerance and respect for all.
- Help each student to feel a part of and take pride in the School and the community and to develop an appreciation of, and concern for, the environment.
- Enable each student to develop an understanding of the world he/she lives in and an awareness of the ways in which individuals and groups relate.
- Encourage each student to appreciate and maintain a healthy lifestyle.
- Develop social, organisation, problem solving, life and study skills in order that each student may be able to cope with the fast changing demands of modern society and play a full part in all aspects of adult life.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

Following the critical incident in September 2018, Simon Hawkins resigned as Head teacher and Rachel Smith was appointed from November 2018.

The following aims were given both to governors in September 2018 and Ofsted in March 2019

Priority Aims

- Restore a calm, orderly respectful environment as standard where learning, aspiration and achievement are palpable values and every lesson is good or better
- Re-calibrate and educate pupils as to what behaviours are appropriate in school. Give consistent consequences and messages in this regard and help pupils to learn these behaviours
- Carry out an urgent curriculum review to ensure the diet for all students is appropriate
- Obtain external help where necessary in all areas to ensure the best for our pupils
- Leaders move forward with a cohesive approach that is understood and shared by all

Impacts of actions reported to Ofsted 2019

- Reductions in truancy, lateness and serious behaviour incidents
- 82% of staff are 'proud to be a member of staff at Fir Vale' (staff survey Feb 19)
- Parent View 88% of parents say the school is 'well-led'.
- 'Current leadership is better in all respects' Staff survey (Feb 19)
- Staff secure with how to report safeguarding concerns and to whom (CPOMS and Behaviour Watch)
- Safeguarding Action Plan created following audit Part 1
- Students report that recent change in leadership has had a positive effect on behaviour
- Staff body summarised KS3 & KS4 curriculum proposals and the use of data and information to drive curriculum improvement for Sept 2019
- Curriculum restructure ratified by Governors – Feb 2019

Ofsted report 2019

- The school is recovering well from the shock of a critical incident.
- The new Headteacher and staff have worked effectively to establish a calm and orderly environment. This has been achieved through necessarily high levels of supervision and exclusion.
- Leaders know what to do to improve teaching and the curriculum and are acting quickly to bring this about.
- The new Headteacher has brought about rapid improvement in the standards of behaviour. She leads by example and has won the confidence of pupils, staff and governors.

c. Public benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

a. Achievements and performance

The Governors have maintained the function of the SIP (School Improvement Partner) who visits the school each term, analyses the data and rigorously interviews the SLT. The school self evaluation and Ofsted confirm:

- This is a school that 'requires improvement'
- Behaviour is 'improving rapidly' after a critical incident in September 2018
- High levels of mobility with high numbers of in year admissions
- There are many barriers to learning that the school are doing well to remove
- The school Progress 8 figure has been -0.22 for the last two years NEET figures are very low and there is a real commitment to vocational pathways to match the needs of the pupils.

The SIP considers that:

- Leadership at all levels is strong
- Safety is now good and all permanent exclusions are justified
- The school responds well to both the pressures of national changes and the diverse context

Student attendance during the year was 88%.

During the year, Fir Vale further continued to implement the 'Made in Sheffield' Cutler's programme for a group of students to enable them to complete employment courses as well as attend regular sessions at Northern General Hospital and within the construction industry sector.

School involvement in Heppsy programme, university visits, careers talks, encouraged aspiration.

Students have also benefitted from involvement in the Inspiring Youth Project where South Yorkshire Police volunteers encourage young people to better themselves and achieve personal goals. This work is to inspire knowledge, self-esteem, self-confidence and for the young people to enhance their performance in school, at home and within the community.

In 2018/19, Pupil Parliament developed further with many pupils involved in a variety of groups which consider issues such as catering, the school environment and considering delivery of the curriculum. The Head Girl and Head Boy, supported by new 'deputy' roles – the JLT – Junior Leadership Team - have attended governor meetings sharing the work and findings of these student groups. Prefects have led on a variety of themes this year including 'We are Fir Vale' which was shared in assemblies and through our newsletter.

In preparation for their arrival at Fir Vale, students in Year 6 at the local feeder schools spend a day in school during July on a transition programme which enabled a positive start to their new school in September.

A wide range of extracurricular opportunities are enjoyed by students with a variety of clubs both before and after school, including sports clubs which arrange a programme of inter school fixtures. The Duke of Edinburgh programme is supported by school staff which again provides opportunities for students to be involved in activities beyond Fir Vale as well as developing important life skills.

The school has its own Combined Cadet Force recognising the significant positive impact that an involvement in uniformed services can provide for young people. This is growing.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators

Performance Indicators

Progress 8 Score -0.22

Attainment 8 Score 33.58

% of pupils who achieved Grade 5 or above in English and Maths 17%

% of pupils achieving the English Baccalaureate at Grade 5/C or above 10%

% of pupils who continue into education or employment (Data not available at date of report)

Attendance

Improving levels of attendance is a key priority for the School.

	2016 – 2017	2017-2018	2018-2019
Whole School Attendance	92.3%	92.4%	90.58

Other activities

Beyond the curriculum, the School offered a wealth of extension and enrichment activities to its students. These included:

- Art
- Breakfast club
- Design Technology – Resistant Materials, Textiles, Engineering
- Duke of Edinburgh
- Health and Social Care
- Language clubs
- Melting Pot (cooking club)
- Music, Singing Group and Showband
- Sporting activities including: Athletics, Badminton, Basketball, Boxing, Cricket, Fitness, Football, Table Tennis,

Alternative Curriculum events are a feature of the school and included:

- Enterprise Days
- Science Week Activities
- Science, Technology, Engineering and Mathematics (STEM) Activities

Activities for students also included the following trips, visits and residentials:

- Duke of Edinburgh Award – Endcliffe Park, Castleton and Grindleford
- Geography trips to Blackpool and the local area
- Grave Leisure Centre
- Henry Boot Plc
- Hillsborough College
- Hollywood Bowl
- Ice Sheffield
- Keepmoat Stadium

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

- Meadowhall Retail Park
- Museum of Science and Industry Manchester
- Music trips to Tapton School
- PE trips to Headingley, Hillsborough Leisure Centre, Ponds Forge and Woodburn Road
- Post 16 trips to Longley Park, Sheffield College and 6th Form schools
- Rockingham Lane
- Sheffield Courts
- Sheffield Hallam University and Sheffield University
- Sports Day at the English Institute of Sport
- STEM activities at Doncaster Racecourse and New York stadium, Rotherham
- Ten Pin Bowling, Sheffield
- Yorkshire Sculpture Park
- Yorkshire Wildlife Park

Key financial performance indicators

The School recognises the importance of performance indicators, to ensure that it delivers educational and financial excellence.

The School's financial performance is monitored by the governors and the senior leadership team through periodic internal financial reports.

It is also monitored through the completion and submission to the Education and skills Funding Agency (ESFA) of:

- The Trust's Annual Report and Financial Statements
- The Academy Accounts Return
- Whole Government Accounts data, including budget forecasts for the forthcoming year

c. Principal risks and uncertainties

The School has undertaken work during the period to establish the system of internal control, including financial, operational and risk management which is designed to protect the School's assets and reputation. The School's Risk Register, that has been updated during the year and contains the details of risks recognised to which our organisation is exposed. It identifies the key risks, the likelihood of those risks occurring, their potential impact on the School and the actions being taken to avoid, reduce and mitigate the risks. The register includes the controls in place to minimise and mitigate potential impact on the School. It also reflects the continuing efforts taken by the School during the year and includes appropriate review dates for those risks. All proposed new activities are assessed for risk. Risks are rated using a consistent scoring system.

The most significant risks are identified below:

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

d. Long term demand

The School had 1061 pupils at the start of the 2018/19 academic year. The PAN is 1050.

At 2019 census the school had 940 pupils. The drop was due to the incident, uncertainty over Brexit and the pull factors of Astrea Academy.

However, since October census, numbers continue to rise rapidly.

The school needs help funding the pupils it has gained since census date. The school will put an application in to the growth fund.

e. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Financial review of year

The Statement of Financial Activities for the year ended 31 August 2019 shows a deficit on unrestricted funds and restricted funds before pension adjustments of £27,138. The deficits are increased by actuarial adjustments regarding the South Yorkshire Pension Scheme of £988,000 (2018: gain £411,000).

Most of the School's income is in the form of recurring grants from the Department for Education (DfE) which are provided under the funding agreement with the Trust. The use of this income is restricted to particular purposes. The DfE grants received by the Trust for the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

b. Reserves policy

A key objective of Fir Vale School is to maintain a structure of prudent financial management. The aim of the Academy's Reserves Policy is to ensure a level of protection against a future deterioration in the level of funding as a result of formula funding reviews.

In addition, trustees are mindful of the need to ensure that the school IT system remains 'fit for purpose', meeting the needs of all users and in addition the need of the school to accommodate increased pupil numbers. Reserves will be allocated to meet these objectives. Considering the aforementioned it is the long term aim of the school to have reserves representing 7% to 9.5% of GAG which equates to a range of between £414,000 - £565,000.

In achieving this, the trustees will be mindful that existing students are not disadvantaged through the retention of excessive reserves. To this end the trustees will review reserve levels annually. At 31 August 2019, the balance of the Academy's unrestricted funds was £296,832 and the balance of its Restricted General Fund was £441,777 giving free reserves of £738,609. Whilst free reserves as at 31 August 2019 are greater than the long term target, the Academy will need to use the reserve fund in 2020/2021 to cover the cost of the fall in student numbers.

c. Investment policy

The Trust's Articles of Association restrict any decisions on the investment of school funds to the Governing Body. Governors' may only invest funds after taking advice from a financial expert, as defined under the Financial Services and Markets Act 2000. Investments are currently restricted to deposit accounts with the School's bankers. Any interest is returned to the School as unrestricted income.

Fundraising

The charity doesn't actively fundraise, but appreciates the donations from the public. The charity does not use any professional fundraiser or commercial participator to carry out activities on the charity's behalf.

Due to the low level of fundraising the charity undertakes, the charity is not a participant of a voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for the activities carried out on behalf of the charity. Should the charity at some point in the future undertake a specific fundraising campaign or start to generate more income through fundraising, the trustees will look to sign up to a voluntary fundraising code.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Future developments

In determining our objectives and planning our priorities for the future, the Governors are mindful of the Charity Commission's general guidance on public benefit.

We will continue to have the raising of standards, through improvements in progress and learning, as a top priority. This will continue to ensure progression routes for our students, whether into employment or into further/higher education and the avoidance of young people becoming classed as NEET (not in education, employment or training).

Our curriculum is reviewed annually and evolves with the aim of matching students ever more closely to the most appropriate courses. Guided choices will ensure more able students study the suite of subjects which will lead them to English Baccalaureate qualification, enabling them to access courses at the country's leading universities.

Human equalities' policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The School aims to ensure equal opportunity 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

Under the School's Disability Equality Scheme and Accessibility Plan, and other measures, the School supports the recruitment and retention of students and employees with disabilities. Adaptations to the physical environment, the provision of resources and training and career development form part of our efforts to support Disabled Persons.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 10 December 2019 and signed on its behalf by:



U Saeed
(Chair of Trustees)



J R Edwards
(Trustee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of trustees has delegated the day to day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Fir Vale School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

FIR VALE SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
U Saeed, Parent Governor, Chair	3	3
J R Edwards, Business Governor	3	3
E Akunda, Parent Governor	2	3
S Asad, Parent Governor	1	3
N Begum, Community Governor	0	3
P Highfield, Staff Governor	3	3
T Hussey-Yeo, Business Governor	1	3
N Fear, Staff Governor	0	2
S Bower, Business Governor	3	3
S Hawkins, Headteacher and Accounting Officer	0	0
R Smith, Headteacher and Accounting Officer	3	3
D Smedley, Secretary	2	2
M Shields, Secretary	1	1
R Steele, Business Governor	1	1
T Ball, Business Governor	2	3
J Irwin, Community Governor	3	3

The School Improvement Partner carried out a Governance review in 2019.

Although the board met less than six times in the year it maintained effective oversight of funds through the Finance and Resources Committee which met four times in the year.

The Finance and General Purposes Committee is a sub-committee of the main board of Trustees. Its purpose is to add purpose and particular issues dealt with in the year, changes to the composition of the committee, etc.

Attendance during the Year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Edwards (Chair)	4	4
U Saeed	4	4
T Hussey-Yeo	1	4
R Smith	4	4
T Ball	1	3
R Steele	3	3

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Head teacher 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 each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

Since the appointment of M Sheils, the academy has begun efficiency savings where possible; budgets for departments, tighter financial procedures and investigating value for money in all areas.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fir Vale School Academy Trust for the Year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the Year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint BHP LLP as internal auditor.

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

- Payments testing
- Payroll testing
- Employee expenses
- Compliance with the AFH 2018 "musts"

On a periodic basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

As accounting officer, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the Year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 10 December 2019 and signed on their behalf by:

U Saeed
Chair of Trustees



R Smith
Accounting Officer



FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

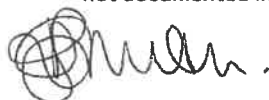
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Fir Vale School Academy Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

1. Risk register – a periodic review of the risk register has not been performed in the current year.
2. During the year, monthly management accounts were produced. However, they were not shared with the Chair on a monthly basis.
3. The trust obtained employment advice for redundancies in the year as required by the Academies Financial Handbook (2018), but the advice regarding quantum of each payment from a value for money point of view was not documented in writing.



R Smith
Accounting Officer
Date: 10 December 2019

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FIR VALE SCHOOL ACADEMY TRUST

Opinion

We have audited the financial statements of Fir Vale School Academy Trust (the 'academy') for the Year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

FIR VALE SCHOOL ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FIR VALE SCHOOL ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Allsop (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditors

2 Rutland Park

Sheffield

S10 2PD

10 December 2019

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FIR VALE SCHOOL ACADEMY TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FIR VALE SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 December 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fir Vale School Academy Trust during the Year 1 September 2018 to 31 August 2019 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 Fir Vale School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fir Vale School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fir Vale School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Fir Vale School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fir Vale School Academy Trust's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately

- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FIR VALE SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the Year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As explained in the Statement of Regularity, Propriety and Compliance:

1. The trust reviewed the risk register annually. In accordance with the Academies Financial Handbook (2018) this is not deemed adequate and termly review is recommended.
2. The trust did not prepare and share monthly management accounts with the Chair as required by the Academies Financial Handbook (2018).
3. The trust did obtain employment advice for redundancies in the year as required by the Academies Financial Handbook (2018), however there was no evidence demonstrating value for money.



Philip Allsop (Reporting Accountant)

BHP LLP

2 Rutland Park
Sheffield
S10 2PD

Date: 10 December 2019

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	3,351	40,100	73,109	116,560	49,685
Charitable activities	4	4,225	6,721,570	-	6,725,795	6,809,883
Other trading activities	5	46,689	9,353	-	56,042	44,947
Investments	6	661	-	-	661	622
Total income		54,926	6,771,023	73,109	6,899,058	6,905,137
Expenditure on:						
Raising funds		-	6,759	-	6,759	7,159
Charitable activities	8	44,451	7,051,148	320,069	7,415,668	7,251,664
Total expenditure		44,451	7,057,907	320,069	7,422,427	7,258,823
Net income/(expenditure)		10,475	(286,884)	(246,960)	(523,369)	(353,686)
Transfers between funds	16	-	19,271	(19,271)	-	-
Net movement in funds before other recognised gains/(losses)		10,475	(267,613)	(266,231)	(523,369)	(353,686)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(988,000)	-	(988,000)	411,000
Net movement in funds		10,475	(1,255,613)	(266,231)	(1,511,369)	57,314
Reconciliation of funds:						
Total funds brought forward		286,357	(1,291,023)	14,795,382	13,790,716	13,733,402
Net movement in funds		10,475	(1,255,613)	(266,231)	(1,511,369)	57,314
Total funds carried forward		296,832	(2,546,636)	14,529,151	12,279,347	13,790,716

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

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The notes on pages 32 to 59 form part of these financial statements.

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08090074

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	14,503,070	14,795,382
		<u>14,503,070</u>	<u>14,795,382</u>
Current assets			
Debtors	14	219,395	199,606
Cash at bank and in hand		745,750	823,591
		<u>965,145</u>	<u>1,023,197</u>
Creditors: amounts falling due within one year	15	(174,868)	(231,863)
Net current assets		<u>790,277</u>	<u>791,334</u>
Total assets less current liabilities		<u>15,293,347</u>	<u>15,586,716</u>
Net assets excluding pension liability		<u>15,293,347</u>	<u>15,586,716</u>
Defined benefit pension scheme liability	21	(3,014,000)	(1,796,000)
Total net assets		<u>12,279,347</u>	<u>13,790,716</u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	14,529,151	14,795,382
Restricted income funds	16	467,364	504,977
		<u>14,996,515</u>	<u>15,300,359</u>
Restricted funds excluding pension asset	16	14,996,515	15,300,359
Pension reserve	16	(3,014,000)	(1,796,000)
Total restricted funds	16	<u>11,982,515</u>	<u>13,504,359</u>
Unrestricted income funds	16	<u>296,832</u>	<u>286,357</u>
Total funds		<u>12,279,347</u>	<u>13,790,716</u>

The financial statements on pages 27 to 59 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08090074

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019



.....
U Saeed
(Chair of Trustees)
Date: 10 December 2019

The notes on pages 32 to 59 form part of these financial statements.

FIR VALE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(50,084)	132,372
Cash flows from investing activities	19	(27,757)	(77,018)
Change in cash and cash equivalents in the Year		(77,841)	55,354
Cash and cash equivalents at the beginning of the Year		823,591	768,237
Cash and cash equivalents at the end of the Year	20	745,750	823,591

The notes on pages 32 to 59 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Fir Vale School Academy Trust meets the definition of a public benefit entity under FRS 102.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Donations**

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

1.4 Expenditure

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 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 Part 11, chapter 3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Land - not depreciated; Buildings - straight line over 55 years
Furniture and equipment	- 10% straight line
Computer equipment	- 33.3% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy'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 the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	3,351	-	3,351	8,157
Grants	-	40,100	40,100	20,450
Government grants	-	73,109	73,109	21,078
	<u>3,351</u>	<u>113,209</u>	<u>116,560</u>	<u>49,685</u>
Total 2018	<u>3,311</u>	<u>46,374</u>	<u>49,685</u>	

4. Funding for the academy's education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Restated Total funds 2018 £
<i>DfE/ESFA grants</i>				
General Annual Grant	-	5,893,629	5,893,629	6,058,812
Other DfE/ESFA grants	-	707,875	707,875	592,284
	<u>-</u>	<u>6,601,504</u>	<u>6,601,504</u>	<u>6,651,096</u>
<i>Other government grants</i>				
Special Educational Needs	-	10,665	10,665	52,748
Other government grants non capital	-	109,401	109,401	103,247
	<u>-</u>	<u>120,066</u>	<u>120,066</u>	<u>155,995</u>
<i>Other funding</i>				
Other income from the academy's educational operations	4,225	-	4,225	2,792
Total 2019	<u>4,225</u>	<u>6,721,570</u>	<u>6,725,795</u>	<u>6,809,883</u>
Total 2018	<u>18,292</u>	<u>6,791,591</u>	<u>6,809,883</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Payments from other schools and sundry sales	46,689	9,353	56,042	44,947
Total 2018	30,785	14,162	44,947	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	661	661	622

Investment income was £622 in 2018 which is all attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	6,759	6,759	7,159
Education:					
Direct costs	4,404,747	275,588	694,758	5,375,093	5,424,465
Allocated support costs	656,367	972,903	411,305	2,040,575	1,827,199
	<u>5,061,114</u>	<u>1,248,491</u>	<u>1,112,822</u>	<u>7,422,427</u>	<u>7,258,823</u>
Total 2018	<u>4,977,552</u>	<u>1,239,220</u>	<u>1,042,051</u>	<u>7,258,823</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	<u>5,375,093</u>	<u>2,040,575</u>	<u>7,415,668</u>	<u>7,251,664</u>
Total 2018	<u>5,424,465</u>	<u>1,827,199</u>	<u>7,251,664</u>	

Analysis of direct costs

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Total funds 2019 £	Total funds 2018 £
Staff costs	4,404,747	4,421,756
Depreciation	314,491	341,296
Educational supplies	79,234	47,841
Examination fees	78,580	106,850
Staff development	13,855	5,474
Other costs	152,229	143,786
Recruitment and other staff costs	214,999	232,682
Technology costs	116,958	124,780
	5,375,093	5,424,465

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension income	47,000	49,000
Staff costs	636,668	538,613
Other costs	158,687	85,390
Recruitment and other staff costs	23,997	10,208
Maintenance of premises and equipment	28,153	25,493
Rent and rates	944,750	940,796
Insurance	27,948	26,621
Security and transport	2,022	3,505
Catering	125,722	113,719
Bank interest and charges	67	77
(Profit) / Loss on disposal of fixed assets	5,578	-
Pension administrative cost	4,000	4,000
Governance costs	35,983	29,777
	2,040,575	1,827,199

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Net income/(expenditure)

Net income/(expenditure) for the Year includes:

	2019	2018
	£	£
Depreciation of tangible fixed assets	314,491	341,296
Loss on disposal of fixed assets	5,578	-
Fees paid to auditor for:		
- audit	8,350	8,110
- other services	2,850	1,450

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the Year were as follows:

	2019 £	2018 £
Wages and salaries	3,602,250	3,793,003
Social security costs	357,247	370,883
Pension costs	766,721	728,366
	<u>4,726,218</u>	<u>4,892,252</u>
Agency staff costs	238,463	13,600
Staff restructuring costs	96,433	71,700
	<u>5,061,114</u>	<u>4,977,552</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	26,550	57,655
Severance payments	69,883	14,045
	<u>96,433</u>	<u>71,700</u>

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

Included in staff restructuring costs are non-statutory severance payments totalling £21,933 (2018: £14,045). Individually, the payment was £21,933.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Staff numbers

The average number of persons employed by the academy during the Year was as follows:

	2019 No.	2018 No.
Teachers	50	67
Admin and support	68	60
Management	10	8
	128	135

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	55	63
Admin and support	55	57
Management	10	8
	120	128

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer NI and pension contributions) received by key management personnel for their services to the academy trust was £667,332 (2018: £667,014)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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, during the period fell within the following bands:

R Smith (Headteacher and Trustee) - Appointed 1 November 2018

Remuneration £80,000-£85,000 (2018:nil)

Employer's pension contributions £10,000-£15,000 (2018:nil)

S Hawkins (Former Headteacher and Trustee) - Resigned 30 September 2018

Remuneration £50,000-£55,000 (2018: £85,000-£90,000)

Employer's pension contributions £0-£5,000 (2018: £15,000-£20,000)

P Highfield (Staff Trustee):

Remuneration £30,000-£35,000 (2018: £30,000-£35,000)

Employer's pension contributions £5,000-£10,000 (2018: £5,000-£10,000)

N Fear (Staff Trustee) - Resigned 12 May 2019

Remuneration £5,000-10,000 (2018: £5,000-£10,000)

Employer's pension contributions £0-£5,000 (2018: £0-£5,000)

S Asad (Parent Trustee):

Remuneration £0-£5,000 (2018: £0-£5,000) for exam invigilator duties

During the Year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the Year ended 31 August 2019 was £24,822 (2018 - £26,613). The cost of this insurance is included in the total insurance cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<i>Cost or valuation</i>				
At 1 September 2018	16,263,209	77,968	673,327	17,014,504
Additions	21,919	22,544	2,565	47,028
Disposals	(19,271)	(13,944)	-	(33,215)
At 31 August 2019	16,265,857	86,568	675,892	17,028,317
<i>Depreciation</i>				
At 1 September 2018	1,588,535	21,703	608,884	2,219,122
Charge for the Year	275,488	11,085	27,918	314,491
On disposals	-	(8,366)	-	(8,366)
At 31 August 2019	1,864,023	24,422	636,802	2,525,247
<i>Net book value</i>				
At 31 August 2019	14,401,834	62,146	39,090	14,503,070
At 31 August 2018	14,674,674	56,265	64,443	14,795,382

14. Debtors

	2019 £	2018 £
<i>Due within one year</i>		
Trade debtors	14,438	2,300
Prepayments and accrued income	136,961	137,446
Tax recoverable	67,996	59,860
	219,395	199,606

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	-	654
Other creditors	2,449	-
Accruals and deferred income	172,419	231,209
	174,868	231,863

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<i>Unrestricted funds</i>						
General Funds - all funds	286,357	54,926	(44,451)	-	-	296,832
<i>Restricted general funds</i>						
General Annual Grant (GAG)	491,428	6,011,499	(6,080,421)	19,271	-	441,777
Pupil Premium	-	602,858	(602,858)	-	-	-
SEN High Needs	-	10,665	(10,665)	-	-	-
NSPB - Magic Breakfast	-	500	(500)	-	-	-
Planned Growth	-	105,901	(105,901)	-	-	-
Comenius Project	2,503	-	(22)	-	-	2,481
Cadet Bursary Fund	8,000	-	(1,897)	-	-	6,103
HEPPSY Fund	3,046	39,600	(25,643)	-	-	17,003
Pension reserve	(1,796,000)	-	(230,000)	-	(988,000)	(3,014,000)
	(1,291,023)	6,771,023	(7,057,907)	19,271	(988,000)	(2,546,636)
<i>Restricted fixed asset funds</i>						
Restricted Fixed Asset Funds	14,795,382	73,109	(320,069)	(19,271)	-	14,529,151
<i>Total Restricted funds</i>	13,504,359	6,844,132	(7,377,976)	-	(988,000)	11,982,515
<i>Total funds</i>	13,790,716	6,899,058	(7,422,427)	-	(988,000)	12,279,347

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

Restricted general funds

General annual grant (GAG) - The Academy's principle funding stream received from the Education Funding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

Agency. This must be used to fund the normal running costs of the Academy for the benefit of existing students.

Pupil premium - DfE funding to address the current underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers by ensuring that funding to tackle the disadvantage reaches the pupils who need it most.

SEN High Needs - Local authority funding to make special educational needs provisions for pupils across Sheffield's seven localities. The amount of top-up funding that each locality receives is based on the needs of pupils in the locality, as assessed against the Sheffield Support Grid.

NSPB Magic Breakfast - Funding for the provision of nutritious breakfasts and expert support to help identify and reach those pupils at risk of hunger.

Planned Growth - A contingency fund held by the Local Authority against which schools and academies can apply when they have an excessive increase in the size of their student intake.

Comenius project - A grant received from the British Council to fund an agreed programme of activity involving other European schools.

Cadet Bursary fund - Funding received from the CCFA to set up a Cadet Club

HEPPSY fund - Funding to support designated deprived postcodes and assist students from these areas progress into higher education

School fund - Fund raised by students for school activities and charitable donations.

Year 7 catch up funds - Funding received from the Department of Education to be used on specific intervention work with identified students on a planned programme of work.

Resettlement fund - Home Office Funding to help support the resettlement of refugees into schools in England. Money is used to support integration and provide support required with short term support such as Intensive Language Acquisition.

School library books - Funding for the replacement of some of the schools library books.

Youth Sport Trust - Funding to support girls sports activities

Defined benefit pension liability - The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the EFA Accounts Direction.

Unrestricted funds

The unrestricted funds represent funds available to the Governors to apply for the general purposes of the academy.

Transfers

The transfer from the restricted fixed asset fund to GAG represents the release of an over-accrual of capital expenditure in the prior year

16. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<i>Unrestricted funds</i>						
General funds	286,357	53,010	(53,010)	-	-	286,357
<i>Restricted general funds</i>						
General Annual Grant (GAG)	406,674	6,087,355	(5,946,662)	(55,939)	-	491,428
Pupil Premium	-	567,241	(567,241)	-	-	-
Planned Growth	-	4,806	(4,806)	-	-	-
Comenius Project	8,310	-	(5,807)	-	-	2,503
Cadet Bursary Fund	13,000	-	(5,000)	-	-	8,000
HEPPSY Fund	5,000	20,000	(21,954)	-	-	3,046
High Needs	-	52,748	(52,748)	-	-	-
Resettlement fund	-	3,900	(3,900)	-	-	-
Growth funding	-	79,347	(79,347)	-	-	-
Youth Sport Trust	400	450	(850)	-	-	-
Other restricted funds	-	15,202	(15,202)	-	-	-
Pension reserve	(2,046,000)	-	(161,000)	-	411,000	(1,796,000)
	(1,612,616)	6,831,049	(6,864,517)	(55,939)	411,000	(1,291,023)
<i>Restricted fixed asset funds</i>						
Restricted Fixed Asset Funds	15,059,661	21,078	(341,296)	55,939	-	14,795,382
<i>Total Restricted funds</i>	13,447,045	6,852,127	(7,205,813)	-	411,000	13,504,359

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Total funds	13,733,402	6,905,137	(7,258,823)	-	411,000	13,790,716

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	14,503,070	14,503,070
Current assets	372,897	566,167	26,081	965,145
Creditors due within one year	(76,065)	(98,803)	-	(174,868)
Provisions for liabilities and charges	-	(3,014,000)	-	(3,014,000)
Total	296,832	(2,546,636)	14,529,151	12,279,347

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	14,795,382	14,795,382
Current assets	286,357	736,840	-	1,023,197
Creditors due within one year	-	(231,863)	-	(231,863)
Provisions for liabilities and charges	-	(1,796,000)	-	(1,796,000)
Total	286,357	(1,291,023)	14,795,382	13,790,716

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(523,369)	(353,686)
Adjustments for:		
Depreciation	314,491	341,296
(Increase)/decrease in debtors	(19,789)	14,373
Decrease in creditors	(56,995)	(30,611)
FRS 102 pension adjustments	230,000	161,000
Loss on disposal of fixed assets	5,578	-
Net cash (used in)/provided by operating activities	(50,084)	132,372

19. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(47,028)	(77,018)
Proceeds from the sale of tangible fixed assets	19,271	-
Net cash used in investing activities	(27,757)	(77,018)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	745,750	823,591
Total cash and cash equivalents	745,750	823,591

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). 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% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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 is 4.45%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes an administration levy of 0.08%).

The employer's pension costs paid to TPS in the Year amounted to £395,570 (2018 - £419,008).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2019 was £253,000 (2018 - £260,000), of which employer's contributions totalled £196,000 (2018 - £202,000) and employees' contributions totalled £ 57,000 (2018 - £58,000). The agreed contribution rates for future years are 12.8 per cent for employers and 5.5 to 12.5 per cent for employees.

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

The valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is £120,000.

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.25	3.35
Rate of increase for pensions in payment/inflation	2.10	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.00	2.10

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	28.3	28.1

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(138,000)	(100,000)
1 year increase in life expectancy	108,000	78,000
CPI rate +0.1%	141,000	102,000
Pay growth +0.1%	28,000	23,000

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

	At 31 August	At 31 August
	2019	2018
	£	£
Equities	1,494,000	1,308,000
Government bonds	409,000	352,000
Other bonds	209,000	180,000
Property	249,000	239,000
Cash and other liquid assets	91,000	113,000
Other	406,000	268,000
Total market value of assets	2,858,000	2,460,000

The actual return on scheme assets was £193,000 (2018 - £109,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(255,000)	(310,000)
Past service cost	(120,000)	-
Interest income	72,000	57,000
Interest cost	(119,000)	(106,000)
Administrative expenses	(4,000)	(4,000)
Total amount recognised in the Statement of Financial Activities	(426,000)	(363,000)

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

	2019 £	2018 £
At 1 September	4,256,000	4,268,000
Past service cost	120,000	-
Current service cost	255,000	310,000
Interest cost	119,000	106,000
Employee contributions	57,000	58,000
Actuarial losses/(gains)	1,109,000	(359,000)
Benefits paid	(44,000)	(127,000)
At 31 August	5,872,000	4,256,000

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

	2019 £	2018 £
At 1 September	2,460,000	2,222,000
Interest income	72,000	57,000
Actuarial gains	121,000	52,000
Employer contributions	196,000	202,000
Employee contributions	57,000	58,000
Benefits paid	(44,000)	(127,000)
Pension administrative expenses	(4,000)	(4,000)
At 31 August	2,858,000	2,460,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

22. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy 2019 £	academy 2018 £
Not later than 1 year	10,363	10,156
Later than 1 year and not later than 5 years	4,441	13,842
	<u>14,804</u>	<u>23,998</u>

23. Financial commitments under PFI arrangements

The building is subject to a PFI contract between the Academy and local authority which covers the facilities management costs including: caretaking, cleaning, maintenance & repairs, water & sewerage, grounds maintenance and related insurances. the same agreement also includes energy costs which are charged by the local authority to the Academy. The Academy has a commitment to pay annual costs under the PFI contract which expires in 2026. the amount payable during the year to 31 August 2020 is expected to be £1,103,294.

24. Members' liability

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

25. 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, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, 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 trustees' remuneration and expenses already disclosed in note 11.

