

**REGISTERED COMPANY NUMBER: 08020467 (England and Wales)**

**Report of the Trustees and**  
**Financial Statements for the Year Ended 31 August 2020**  
**for**  
**By Brook Valley Academy Trust**

**Moore**  
**Chartered Accountants and Statutory Auditor**  
**30 Gay Street**  
**Bath**  
**BA1 2PA**

**By Brook Valley Academy Trust**

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for the Year Ended 31 August 2020**

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By Brook Valley Academy Trust

Reference and Administrative Details  
for the Year Ended 31 August 2020

<b>MEMBERS:</b>	Elizabeth Gilbertson (appointed 21.11.19) James Skinner (appointed 21.11.19) The Diocese of Bristol Academies Company Keith Jon Ernest
<b>TRUSTEES</b>	Beth Amanda Ailsa Borthwick Jaclyn Cross Carrie Davies Lakmini Kumari Harkus Deborah Anne Henshall (appointed 16.1.20) Rosemary Alison Jago Anjali Miriam Kanagaratnam (appointed 17.9.20) Martin Christopher Lowe David John New Lisa Anne Nicolson Graham Charles Pike (appointed 31.8.20) Beverley Margaret Ball (resigned 31.8.20) Anton Pierre Campbell (resigned 23.7.20) Joanne Jardim (resigned 31.12.19) Andrew James Ferguson Wylie (resigned 21.1.20) Keith Jon Ernest
<b>COMPANY SECRETARY</b>	Michelle Hocking
<b>REGISTERED OFFICE</b>	By Brook Valley C of E Primary School The Street, Yatton Keynell Chippenham Wiltshire SN14 7BA
<b>REGISTERED COMPANY NUMBER</b>	08020467 (England and Wales)
<b>AUDITORS</b>	Moore Chartered Accountants and Statutory Auditor 30 Gay Street Bath BA1 2PA
<b>SOLICITORS</b>	Blake Morgan LLP Seacourt Tower West Way Oxford OX2 0FB

**By Brook Valley Academy Trust (Registered number: 08020467)**

**Report of the Trustees**  
**for the Year Ended 31 August 2020**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates a single academy, By Brook Valley C of E Primary School, for pupils aged 4 to 11, serving a catchment area which includes the villages of Biddestone, Nettleton and Burton, Castle Combe and Yatton Keynell. The school has a pupil capacity of 210 and had a roll of 192 in the school census in October 2019.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The principal object and activity of the Charitable Company, as outlined in the Trusts' Articles of Association, is the operation of the By Brook Valley C of E Primary School to advance, for the Public Benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

Report of the Trustees  
for the Year Ended 31 August 2020

**OBJECTIVES AND ACTIVITIES**

**Objectives, strategies and activities**

This was a year of two halves, pre and post Covid-19 lockdown.

**Pre-Covid-19 lockdown**

**School organisation**

This year we continued to operate with seven classes, averaging 192 children across the year. We retained our specialist music teacher, sports coaches and play and speech therapists. In January 2020 we restructured the school office, appointing an office manager and secretary, removing post of receptionist, and creating a finance and HR post. The admin officer post remained. This has supported the effective running of school administration and improved workload and delegation.

**Leadership**

In January 2020, one of our deputies left to take on her own headship in Wiltshire. As a result, our leadership structure changed slightly becoming more proportionate in readiness of my retirement from headship in August 2020. An additional half-day a week leadership time was allocated to the remaining deputy, ensuring that no leadership capacity was lost. The teaching vacancy was filled, initially on a temporary contract, with interviews for a permanent September teaching post being held in March 2020. The school appointed an experienced teacher who has expertise in art and design, strengthening the skill set of the teaching team.

In March 2020 successful interviews were also held for a new substantive head to take up post on 1 September 2020. Mr Graham Pike was appointed.

**Achievements**

In the six and a half months the school was fully operational, a lot was achieved in line with our School Improvement Action Plan.

- Following CPD in Mathematics all staff adopted a 'small steps' teaching approach, deepening pupils mathematical knowledge and extending their use of vocabulary.
- Children's use and understanding of vocabulary was also a focus in reading, writing and across the curriculum. This resulted in deeper comprehension of texts, a wider choice of vocabulary in writing and the accurate use of subject specific vocabulary.
- Our revised curriculum was completed. This now clearly documents the sequential building of knowledge and skills within and across year groups. Successful strategies have also been adopted to revisit knowledge so it is retained and more readily applied to new learning.
- Following CPD in RSE, the policy and scheme of work were revised and updated. As a result, the school is fully prepared for the changes that come in to force in September 2020.
- We received an 'Excellent' outcome in our SIAMS inspection in February 2020. This was a real highlight of the year. The report very much reflects our Christian distinctiveness and the centrality of our vision to everything that we do in school.

**Other highlights during this time**

- A visit from the Compassion Bus in September really developed the children's knowledge and understanding of life for a child in developing countries. As a result of the visit, the school committed to sponsor the education of two children and to organise annual fundraising to meet its commitments.
- We were lucky enough to have a visit from the Uganda Fire Choir who shared with us their passion for singing but also their deep faith which was truly inspiration for staff and children alike

Report of the Trustees  
for the Year Ended 31 August 2020

**OBJECTIVES AND ACTIVITIES**

- Following on from our Church School Partnership Award (July 2019), in December we made a video for the diocese to help inspire other schools to develop their own partnership.
- Pupil voice and influence was increased through the introduction of Ministers for some subjects and Worship. These groups of KS2 pupil really helped to staff to review, evaluate and improve provision in PE, sport, maths, science, English and worship.
- We started to build our recycle and reuse garden. This project involved our whole community in making eco bricks from plastic bottles and non-recyclable plastic. There is still a lot to achieve but the garden is a real testament to the small things we can all do to help save our planet.
- Children were supported to learn more about how to keep themselves safe through workshops from the Stay Safe anti-bullying alliance and the NSPCC. The latter also held a session for parents.

**Post Covid-19 Lockdown**

No one could have predicted the changes that needed to be made in the second half of the year to respond to the Covid-19 lockdown. The school remained open throughout the crisis, initially providing care for children of key workers and those classified as vulnerable, as well as few other children with wider needs. The wider opening to YR, Y1 and Y6 from 1 June brought further challenges as we followed all guidance for the safety and wellbeing of staff and pupils.

Throughout the Covid-19 pandemic, staff rose to each and every challenge to provide a safe learning environment for the children. They worked tirelessly to provide inclusive home learning for all the children, alongside teaching those who were eligible for a school place, and maintained weekly contact with children who were not in school. This was a huge task and one that was carried out with all the energy, focus and dedication that all the staff always give to everything they do.

Staff CPD continued during this period, all be it virtually, strengthening TAs and teachers' knowledge and practice in reading, writing, maths, early years provision and the recovery curriculum (amongst other areas).

Despite lockdown, we were able to hold quite a detailed induction for the new headteacher, some of it virtually, helping to secure a smooth leadership succession. We also held transition sessions (moving up sessions) for all the children enabling them to share their lockdown news with their class teacher and say 'goodbye' to them before meeting and spending time with their new teacher. This gave adults and children a sense of closure but also of hope and optimism for the new school year. This was very much the first step in our recovery plan.

During lockdown, we also took the opportunity to review all our reading books. New reading books were purchased to support our teaching and learning in phonics 2020-21. This will add real strength to this crucial area of learning from September.

There is no end of key phase or phonic data for 2019-20 as testing did not go ahead due to the pandemic. However, the school continued to assess attainment and progress throughout the year. This data will be used in 2020-21, as a benchmark, to ensure all children are achieving at least in line with prior attainment.

Finally, I would just like to wish the school every continued success for the future. It has been a pleasure and a privilege to serve as Headteacher to By Brook Valley for the past 18 years.

Bev Ball

By Brook Valley Academy Trust (Registered number: 08020467)

Report of the Trustees  
for the Year Ended 31 August 2020

## **OBJECTIVES AND ACTIVITIES**

### **Public benefit**

The trustees have complied with their duty to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

## **FUNDRAISING**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees. The academy occasionally applies for grants. FOBBVS, a separate organisation, raises funds from the community which are donated to the academy. The academy has not received any complaints regarding the fundraising of FOBBVS.

## **ACHIEVEMENT AND PERFORMANCE**

### **Achievements and performance and key performance indicators**

Due to Covid-19 there were no standardised tests during this academic year. However, the school continued to assess attainment and progress throughout the year. This data will be used in 2020-21, as a benchmark, to ensure all children are achieving at least in line with prior attainment.

We received an 'Excellent' outcome in our SIAMS inspection in February 2020. This was a real highlight of the year. The report very much reflects our Christian distinctiveness and the centrality of our vision to everything that we do in school.

## **FINANCIAL REVIEW**

### **Financial review**

Most of the Academy's income is obtained from the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 are shown as restricted funds in the statement of financial activities.

In the year, total income of £951,000 was received and £1,117,000 expenditure incurred.

The academy made an in year deficit of £166,000 (being the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds). At 31 August 2020 the actual position of reserves were £127,000 (being the total balance at 31 August on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds).

The deficit on the defined benefit pension scheme increased from £267,000 to £338,000.

### **Financial Objectives**

The Academy's financial objectives are

- o To ensure best value in respect of financial decisions, and
- o To ensure that all resources are used to promote pupil achievement

Report of the Trustees  
for the Year Ended 31 August 2020

## **FINANCIAL REVIEW**

### **Investment policy and objectives**

The school's investment policy requires that the Finance Officer monitors cash flow and the current account balance to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £50,000 and £90,000 is likely to be maintained and the school will normally seek to avoid its current account going overdrawn. During the period under review, this policy was followed. Any change in Policy requires the approval of Governors via the Finance, Premises, Staffing & HR Committee.

### **Reserves policy**

The governors aim to maintain free reserves of £35,000 to ensure that there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. As at 31 August 2020, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £108,000. The reserves held are in excess of the £35,000 required.

The total balance at 31 August 2020 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds, was £127,000.

In total at 31 August 2020, the funds of the academy were £2,626,000 which is represented by £2,518,000 of restricted funds and £161,000 unrestricted funds. £2,837,000 of the restricted funds can only be realised by disposing of tangible fixed assets.

The governors acknowledge the pension reserve deficit of £338,000 (2019: £267,000) and have increased the contributions in order to gradually reduce the liability.

### **Going concern**

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

The trustees have further considered the use of going concern as appropriate in light of the ongoing COVID-19 pandemic. The school remains open, operating within the UK Government guidelines for educational establishments during this unprecedented period. The school's main source of income, the General Annual Grant is secured through the funding agreement with the ESFA. The trustees have approved budgets for 20/21 and beyond showing surplus funds for at least 12 months from the date of approving these financial statements, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

## **FUTURE PLANS**

### **Priority 1**

Raising standards across the curriculum through:

- Quality First Teaching in every classroom,
- Ensuring inclusion for all (PP/ SEND/ LAC/SEMH)
- Leadership supporting, monitoring and evaluating continuous improvement



Priority 2:

Improving Pupil Attainment & Progress across the school in core subjects of RWM

Priority 3:

Curriculum Development through:

- Deepening and embedding pupil learning through the core curriculum, wider experiences and recall of knowledge
- Ensuring all curriculum leaders are effective within their roles.

Priority 4:

Improving the learning environment (External & Internal) to support academic learning and personal development, well-being and spirituality.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of By Brook Valley Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as By Brook Valley Academy Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

### **Members' liability**

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

### **Trustees' Indemnities**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring while on academy business, and provides cover up to £10,000,000.

### **Recruitment and appointment of new trustees**

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire.

The Chair and Vice Chair are elected by the Governing Body, annually, at the first meeting of the year, from within their own number.

The Governors who were in office at 31 August 2020 and served throughout the period, except where shown, are listed in the Reference and Administrative Details section.

Report of the Trustees  
for the Year Ended 31 August 2020

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The organisational structure of the Academy Trust consists of four levels:

- o Full Governing Body (Directors & Trustees)
- o Members
- o Senior Leadership Team
- o School Staff

The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

The Senior Leadership Team consists of the Headteacher, two Deputy Headteachers (reduced to one from January 2020), and the School Business Manager (replaced by the Finance & HR Officer and the Office Manager from January 2020). These managers control the school at an executive level, implementing the policies laid down by the Governors, and reporting back to them. The Headteacher is responsible for appointment of staff, though all senior appointments also require the approval of the Governing Body. The Headteacher, assisted by the School Business Manager/ Finance & HR Officer), is responsible for authorisation of expenditure within agreed budgets.

**Induction and training of new trustees**

The training and induction provided for new Governors is dependent on their existing experience. Where necessary induction training is provided on charity and educational, legal and financial matters.

All new Governors are given a tour of the school and the opportunity to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, Budget, plans, and other documents that they will require to undertake their role as Governors. Induction tends to be informal and is tailored specifically to the individual.

**Key management remuneration**

The Governing Body delegates (in accordance with its scheme of delegation) to its Pay Panel the responsibility for reviewing and determining staff salaries and for making recommendations to the Governing Body for the annual budget needed for pay. All teachers employed at By Brook Valley Academy Trust are paid in accordance with the statutory provisions of the School Teachers' Pay and Conditions Document (STPCD). All pay-related decisions are made taking full account of the school improvement plan and teachers and unions have been consulted on this policy.

The pay ranges for the headteacher and deputy headteachers are determined in accordance with the criteria specified in the STPCD 2018 (Section 2, Part 2 - leadership group pay).

The academy adheres to Local Government pay arrangements for support staff, and rates are based upon the pay range determined within the National Joint Council for Local Government Services.

By Brook Valley Academy Trust (Registered number: 08020467)

Report of the Trustees  
for the Year Ended 31 August 2020

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Related parties and other connected charities and organisations**

The Church of England via the Diocese of Bristol Academies Company is a foundation member of the academy trust.

The school is a member of the Chippenham Partnership of Schools.

**FUNDS HELD AS CUSTODIAN FOR OTHERS**

There are currently no funds held as Custodian Trustee or on behalf of others.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors understand and have complied with their duty and have identified and reviewed the risks to which the Academy is likely to be exposed. They have ensured that appropriate controls are in place to provide reasonable assurance against fraud and error.

The Major Risks to which the Academy is likely to be exposed have been assessed, in particular those relating to teaching and learning, the provision of facilities, and all other operational aspects of the school and its finances. The Governors continue to monitor internal systems to assess risk faced by the school, both in operational (e.g. Health and Safety, Teaching and Learning, Behaviour and School Trips) and in relation to the control of Finances.

A Risk Register is in place, which is subject to an annual review. In addition, a Business Continuity Plan has been developed. The highest risk items are identified and control procedures agreed by the Governing Body.

The Academy has an effective and robust system of internal controls in place working to the guidance of the Academies Financial Handbook including the following policies:

- o Finance Manual (containing all policies relating to control of income and expenditure and procurement)
- o Best Value Statement
- o Depreciation Policy 10
- o Write off of debt/disposal of equipment Policy

A Management Accounts report is provided to the Chair of Governors each month. The Finance Committee meets at least once per term to discuss the school's financial position in depth and, in turn, the Finance Committee briefs the Full Governing Body at the subsequent Trustees Meeting. The Governing Body has appointed a Responsible Officer, whose role is described in the Risk and Control Framework below.

An improvement in the backup procedure that allows for data to be stored securely offsite is in place for backing up school data on a daily basis. There is also a Fixed Asset Register and separate inventory for non-capital assets. These are reviewed on a regular basis.

Health and Safety inspections are carried out termly, and Health & Safety risk assessments are carried out annually and reviewed regularly. Reports are submitted to the Finance, Premises, Staffing & HR Committee regularly.

The Governing Body strives to ensure that all Academy financial transactions and educational responsibilities are managed within stringent guidelines as set by all relevant authorities (e.g. DFE, ESFA).


By Brook Valley Academy Trust (Registered number: 08020467)

Report of the Trustees  
for the Year Ended 31 August 2020

**AUDITORS**

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 01.....*Dec*.....*2020*..... and signed on its behalf by:

  
.....  
Keith Jon Ernest - Trustee

By Brook Valley Academy Trust

Governance Statement  
for the Year Ended 31 August 2020

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that By Brook Valley 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 of loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of the trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between By Brook Valley 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.

**Governance**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
B Ball (Headteacher and Accounting Officer)	6	6
B Borthwick	5	6
A Campbell (resigned 23/07/2020)	2	6
J Cross	6	6
C Davies (staff trustee)	6	6
K Ernest (chair of trustees)	6	6
Lakmini Harkus	4	6
D Henshall (joined 16/01/2020)	3	3
R Jago	4	6
J Jardim (resigned 31/12/2019)	2	2
A Kanagaratnam (joined 17/09/2020)	0	0
* M Lowe	0	6
D New	4	6
L Nicolson	6	6
G Pike (Headteacher and Accounting Officer)	0	0
A Wylie (resigned 21/01/2020)	0	3

\* M Lowe is on an approved sabbatical which is being monitored.

The range of work that the board covers is set out in our "Must, Could, Should" guide. This form is also used to monitor how much each board member does throughout the year, coupled with a skills audit that is filled out, allows us to assess how effective the board is and see if there are any skills gaps that we need to address. This has helped us to see the wider skill set of the board and to focus our attentions on aspects that are lower than what we would want.

The governors continue to monitor their own performance during the year, one such way this is measured is the continued inclusion of a standing item at the end of each sub-committee meeting requesting that the committee reviews and records the impact of the meeting and how the meeting has "added value". These discussions are included in minutes and fed back to Full Governing Body meetings.

By Brook Valley Academy Trust

Governance Statement  
for the Year Ended 31 August 2020

The impact of this has been to ensure a constant process of self-evaluation, challenge and an improvement in the formal documentation of this process and the way in which it is fed back to the board.

The Finance, Premises, Staffing & HR Committee is a subcommittee of the main board of trustees. Attendance at meetings in the year was as follows:

<b>Governors and trustees</b>	<b>Meetings attended</b>
B Ball (Headteacher and Accounting Officer)	4/4
Keith Ernest	4/4
Rosemary Jago	4/4
Martin Lowe	1/1

**Review of Value for Money**

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered or improved value for money during the year by:

**Replacing the roof on the Outdoor Classroom**

The school has lovely grounds and within them there is a wooden outdoor classroom. The roof has gradually fallen into disrepair and become a Health & Safety issue. This year we replaced the roof so that children can continue lessons outside and have a better learning environment.

**New Touchscreen in classroom**

During lockdown due to Covid-19, we had to open up new spaces to ensure children could return to school as soon as possible. Therefore to enhance the learning experience, we installed a new touchscreen package into a classroom.

**Hot Water Return Loop**

The school was built without a hot water return loop in place which meant that it took a long time for hot water to reach some parts of the school, and also a wastage of water while waiting for the hot water to arrive. Therefore the decision was made by the trustees to rectify this by having a hot water return loop installed which means that hot water returns to the boiler system and there is always hot water in the system. This should improve the provision of hot water around the school and also save money and water by not running the taps for so long.

**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 charitable company 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 By Brook Valley Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Governance Statement  
for the Year Ended 31 August 2020

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

To not appoint an internal auditor but to appoint a Wiltshire Council Accounting Technician to undertake additional checks.

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

- Financial Monitoring
- Schools Resource Management
- Self-Assessment Checklist

On a quarterly basis, the external reviewer reports to the board of trustees, through filing a report with the Finance, Premises, Staffing and HR Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The external reviewer was not able to deliver their full schedule of work as planned for the period 1 September 2019 - 31 August 2020 due to Covid-19.

By Brook Valley Academy Trust

Governance Statement  
for the Year Ended 31 August 2020

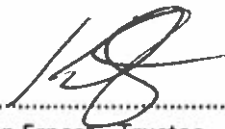
**Review of Effectiveness**

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

- the work of the independent external reviewer provided by Wiltshire Council.
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the school business manager/finance officer within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises, Staffing & HR Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on ...01...Dec...2020... and signed on its behalf by:



.....  
Keith Jon Ernest - Trustee



.....  
G C Pike - Accounting Officer



By Brook Valley Academy Trust

Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2020

As accounting officer of By Brook Valley Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2019.

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

*G C Pike*

.....  
G C Pike - Accounting Officer

Date: *25/11/20*

**By Brook Valley Academy Trust**

**Statement of Trustees' Responsibilities**  
**for the Year Ended 31 August 2020**

The trustees (who act as governors of By Brook Valley Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

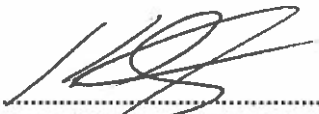
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

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

Approved by order of the members of the board of trustees on .....01 Dec 2020..... and signed on its behalf by:

.....  
  
Keith Jon Ernest - Trustee

**Report of the Independent Auditors to the Members of  
By Brook Valley Academy Trust**

**Opinion**

We have audited the financial statements of By Brook Valley Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Report of the Independent Auditors to the Members of  
By Brook Valley Academy Trust**

**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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

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

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

**Report of the Independent Auditors to the Members of  
By Brook Valley Academy Trust**

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dan Slocombe (Senior Statutory Auditor)  
for and on behalf of Moore  
Chartered Accountants and Statutory Auditor  
30 Gay Street  
Bath  
BA1 2PA

Date: 7th December 2020

**Independent Reporting Accountant's Assurance Report on Regularity to  
By Brook Valley Academy Trust and the Education and Skills Funding Agency**

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

This report is made solely to By Brook Valley 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 By Brook Valley Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than By Brook Valley Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of By Brook Valley Academy Trust's accounting officer and the reporting accountant**

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

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Independent Reporting Accountant's Assurance Report on Regularity to  
By Brook Valley Academy Trust and the Education and Skills Funding Agency

**Conclusion**

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

Moore

Moore  
Chartered Accountants  
30 Gay Street  
Bath  
BA1 2PA

Date: 7<sup>th</sup> December 2020 .....

By Brook Valley Academy Trust

**Statement of Financial Activities  
for the Year Ended 31 August 2020**

				31.8.20	31.8.19	
	Notes	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	9	-	5	14	17
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	856	-	856	802
Other trading activities	4	73	7	-	80	116
Investment income	5	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Total</b>		<b>83</b>	<b>863</b>	<b>5</b>	<b>951</b>	<b>936</b>
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations	3	45	1,000	72	1,117	785
<b>Total</b>	<b>6</b>	<b>45</b>	<b>1,000</b>	<b>72</b>	<b>1,117</b>	<b>785</b>
<b>NET INCOME/(EXPENDITURE)</b>						
		38	(137)	(67)	(166)	151
Transfers between funds	18	<u>(57)</u>	<u>53</u>	<u>4</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>(17)</u>	<u>-</u>	<u>(17)</u>	<u>(132)</u>
<b>Net movement in funds</b>		<b>(19)</b>	<b>(101)</b>	<b>(63)</b>	<b>(183)</b>	<b>19</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>127</b>	<b>(218)</b>	<b>2,900</b>	<b>2,809</b>	<b>2,790</b>



By Brook Valley Academy Trust

Statement of Financial Activities  
for the Year Ended 31 August 2020

				31.8.20	31.8.19
	Unrestricted	Restricted	Restricted	Total	Total
Notes	fund	funds	fixed	funds	funds
	<u>£'000</u>	<u>£'000</u>	asset	<u>£'000</u>	<u>£'000</u>
			funds		
			<u>£'000</u>		
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>108</u>	<u>(319)</u>	<u>2,837</u>	<u>2,626</u>	<u>2,809</u>

**By Brook Valley Academy Trust (Registered number: 08020467)**

**Balance Sheet**  
**31 August 2020**

				31.8.20	31.8.19	
		Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	Notes	£'000	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>						
Tangible assets	12	-	-	2,832	2,832	2,900
<b>CURRENT ASSETS</b>						
Stocks	13	2	-	-	2	2
Debtors	14	9	39	-	48	49
Cash at bank		<u>97</u>	<u>56</u>	<u>5</u>	<u>158</u>	<u>199</u>
		108	95	5	208	250
<b>CREDITORS</b>						
Amounts falling due within one year	15	-	(76)	-	(76)	(74)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>108</u>	<u>19</u>	<u>5</u>	<u>132</u>	<u>176</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		108	19	2,837	2,964	3,076
<b>PENSION LIABILITY</b>	19	-	(338)	-	(338)	(267)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		<u>108</u>	<u>(319)</u>	<u>2,837</u>	<u>2,626</u>	<u>2,809</u>

**By Brook Valley Academy Trust (Registered number: 08020467)**


**Balance Sheet - continued**

**31 August 2020**

				31.8.20	31.8.19
		Unrestricted	Restricted	Restricted	
	Notes	fund	funds	fixed	Total
		£'000	£'000	asset	funds
				funds	£'000
				£'000	£'000
<b>FUNDS</b>	18				
Unrestricted funds:					
General fund				108	127
Restricted funds:					
DfE Group grants				-	16
General Annual Grant				-	-
DfE Group - pupil premium				18	33
DfE Group Capital Grants				477	492
Fixed assets on conversion				2,308	2,348
Fixed assets purchased from GAG				52	60
Pension fund				(338)	(267)
Other restricted income				<u>1</u>	<u>-</u>
				<u>2,518</u>	<u>2,682</u>
<b>TOTAL FUNDS</b>				<u>2,626</u>	<u>2,809</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 01 Dec 2020 and were signed on its behalf by:

.....  
  
 Trustee

**By Brook Valley Academy Trust**

**Cash Flow Statement**  
**for the Year Ended 31 August 2020**

	Notes	31.8.20 £'000	31.8.19 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(42)</u>	<u>(43)</u>
Net cash used in operating activities		<u>(42)</u>	<u>(43)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(5)	(34)
Capital grants from DfE/EFA		<u>6</u>	<u>16</u>
Net cash provided by investing activities		<u>1</u>	<u>(18)</u>
		<u>          </u>	<u>          </u>
<b>Change in cash and cash equivalents in the reporting period</b>		(41)	(61)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>199</u>	<u>260</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>158</u>	<u>199</u>

By Brook Valley Academy Trust

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 August 2020**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.8.20	31.8.19
	£'000	£'000
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	<b>(166)</b>	<b>151</b>
<b>Adjustments for:</b>		
Depreciation charges	74	(190)
Capital grants from DfE/ESFA	(6)	(16)
Increase in debtors	-	(15)
Increase in creditors	2	(2)
Difference between pension charge and cash contributions	<u>54</u>	<u>29</u>
<b>Net cash used in operations</b>	<b><u>(42)</u></b>	<b><u>(43)</u></b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.19	Cash flow	At 31.8.20
	£'000	£'000	£'000
<b>Net cash</b>			
Cash at bank	<u>199</u>	<u>(41)</u>	<u>158</u>
	<u>199</u>	<u>(41)</u>	<u>158</u>
<b>Total</b>	<b><u>199</u></b>	<b><u>(41)</u></b>	<b><u>158</u></b>

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

By Brook Valley Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the academy and rounded to the nearest thousand pound.

### **Going concern**

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

The trustees have further considered the use of going concern as appropriate in light of the ongoing COVID-19 pandemic. The school remains open, operating within the UK Government guidelines for educational establishments during this unprecedented period. The school's main source of income, the General Annual Grant is secured through the funding agreement with the ESFA. The trustees have approved budgets for 20/21 and beyond showing surplus funds for at least 12 months from the date of approving these financial statements, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Critical accounting judgements and key sources of estimation uncertainty**

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

### **Critical accounting estimates and assumptions**

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

**1. ACCOUNTING POLICIES - continued**

**Critical accounting judgements and key sources of estimation uncertainty**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Critical areas of judgement**

There are no critical areas of judgement.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received 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 period 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 it is probable that the income will be received and the amount can be measured reliably.

**Other income**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**1. ACCOUNTING POLICIES - continued**

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**

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

**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 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, at rates calculated to write off the cost of each asset on a straight-line basis over its useful expected lives. Where an asset comprises of two or more components which have substantially different lives each component is depreciated over its useful economic life. The expected useful lives are as follows:

Long leasehold buildings	15 to 100 years
Property improvements	10 to 100 years
Fixtures, fittings and equipment	3 years
ICT equipment	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

The leasehold land and buildings (being the school buildings) were transferred to the Academy on a 125 year lease from Wiltshire Council. The property is included at the insurance valuation upon conversion. Other assets on transfer have been valued at cost when purchased shortly prior to the formation of the academy.

**Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Stocks**

Stock consists of purchased goods for resale including uniforms as well as other items held for future use. Stocks are valued at the lower of cost and net realisable value.

**Taxation**

The academy trust 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 trust 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.

**Fund accounting**

Unrestricted income funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted fixed asset funds can only be used for particular restricted capital purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

**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 trust 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.

**Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**2. DONATIONS AND CAPITAL GRANTS**

	31.8.20	31.8.19
	£'000	£'000
Donations	8	1
Grants	<u>6</u>	<u>16</u>
	<u>14</u>	<u>17</u>

Grants received, included in the above, are as follows:

	31.8.20	31.8.19
	£'000	£'000
DfE/ESFA capital grants	<u>6</u>	<u>16</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted	Restricted	31.8.20	31.8.19
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Grants	-	848	848	802
Exceptional government funding				
Coronavirus Job Retention Scheme				
grant	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
	<u>-</u>	<u>856</u>	<u>856</u>	<u>802</u>

An analysis of grants received is given below:

	Unrestricted	Restricted	31.8.20	31.8.19
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
General Annual Grant (GAG)	-	717	717	694
Other DfE/ESFA grant	-	93	93	83
Local Authority revenue grant	<u>-</u>	<u>38</u>	<u>38</u>	<u>25</u>
	<u>-</u>	<u>848</u>	<u>848</u>	<u>802</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**4. OTHER TRADING ACTIVITIES**

	31.8.20	31.8.19
	£'000	£'000
Trips and residentials	7	8
Uniform sales	-	1
Other income	<u>73</u>	<u>107</u>
	<u>80</u>	<u>116</u>

**5. INVESTMENT INCOME**

	31.8.20	31.8.19
	£'000	£'000
Deposit account interest	<u>1</u>	<u>1</u>

**6. EXPENDITURE**

	Non-pay expenditure			31.8.20	31.8.19
	Staff costs	Premises	Other costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	690	39	112	841	685
Allocated support costs	<u>131</u>	<u>81</u>	<u>64</u>	<u>276</u>	<u>97</u>
	<u>821</u>	<u>120</u>	<u>176</u>	<u>1,117</u>	<u>782</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.20	31.8.19
	£'000	£'000
Auditors' remuneration	9	8
Depreciation - owned assets	<u>73</u>	<u>(190)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	31.8.20 Total funds £'000	31.8.19 Total funds £'000
Direct costs	45	796	841	685
Support costs	<u>-</u>	<u>276</u>	<u>276</u>	<u>97</u>
	<u>45</u>	<u>1,072</u>	<u>1,117</u>	<u>782</u>

	31.8.20 Total £'000	31.8.19 Total £'000
<b>Analysis of support costs</b>		
Support staff costs	131	155
Depreciation	24	(159)
Technology costs	4	2
Premises costs	81	37
Other support costs	21	54
Governance costs	<u>15</u>	<u>8</u>
Total support costs	<u>276</u>	<u>97</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration was as follows:

B Ball (Headteacher and trustee, resigned 31 August 2020):  
Remuneration £75,000 - £80,000 (2019: £75,000 - £80,000)  
Employer's pension contribution £10,000 - £15,000 (2019: £10,000 - £15,000)

D Henshall (staff trustee):  
Remuneration £50,000 - £55,000 (2019: £45,000 - £50,000)  
Employer's pension contribution £5,000 - £10,000 (2019: £5,000 - £10,000)

J Jardim (staff trustee, resigned 31 December 2019):  
Remuneration £45,000 - £50,000 (2019: £45,000 - £50,000)  
Employer's pension contribution £5,000 - £10,000 (2019: £5,000 - £10,000)

C Davies (staff trustee):  
Remuneration £40,000 - £45,000 (2019: £35,000 - £40,000)  
Employer's pension contribution £5,000 - £10,000 (2019: £5,000 - £10,000)

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**8. TRUSTEES' REMUNERATION AND BENEFITS - continued**

**Trustees' expenses**

During the year ended 31 August 2020, travel and subsistence expenses totalling £469 (2019: £nil) were reimbursed to trustees. Related party transactions involving the trustees are set out in note 20.

**9. STAFF COSTS**

	31.8.20	31.8.19
	£'000	£'000
Wages and salaries	576	557
Social security costs	46	47
Operating costs of defined benefit pension schemes	<u>183</u>	<u>127</u>
	805	731
Supply teacher costs	<u>16</u>	<u>20</u>
	<u>821</u>	<u>751</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.20	31.8.19
Teachers	9	8
Administration and support	17	15
Management	<u>2</u>	<u>3</u>
	<u>28</u>	<u>26</u>

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

	31.8.20	31.8.19
£70,001 - £80,000	<u>1</u>	<u>1</u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £250,720 (2019: £255,728).

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**10. TRUSTEES' AND OFFICERS' INSURANCE**

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

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	1	-	16	17
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	802	-	802
Other trading activities	108	8	-	108
Investment income	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Total</b>	<b>110</b>	<b>810</b>	<b>16</b>	<b>936</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	41	934	(190)	785
<b>Total</b>	<b>41</b>	<b>934</b>	<b>(190)</b>	<b>785</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>69</b>	<b>(124)</b>	<b>206</b>	<b>151</b>
Transfers between funds	<u>(133)</u>	<u>115</u>	<u>18</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(132)</u>	<u>-</u>	<u>(132)</u>
<b>Net movement in funds</b>	<b>(64)</b>	<b>(141)</b>	<b>224</b>	<b>19</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>191</b>	<b>(77)</b>	<b>2,676</b>	<b>2,790</b>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2020**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds £'000
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>127</u>	<u>(218)</u>	<u>2,900</u>	<u>2,809</u>

**12. TANGIBLE FIXED ASSETS**

	Freehold property £'000	Short leasehold £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>					
At 1 September 2019	2,561	613	42	25	3,241
Additions	-	2	3	-	5
Disposals	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>	<u>(6)</u>
At 31 August 2020	<u>2,561</u>	<u>615</u>	<u>42</u>	<u>22</u>	<u>3,240</u>
<b>DEPRECIATION</b>					
At 1 September 2019	213	93	14	21	341
Charge for year	40	25	7	1	73
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>	<u>(6)</u>
At 31 August 2020	<u>253</u>	<u>118</u>	<u>18</u>	<u>19</u>	<u>408</u>
<b>NET BOOK VALUE</b>					
At 31 August 2020	<u>2,308</u>	<u>497</u>	<u>24</u>	<u>3</u>	<u>2,832</u>
At 31 August 2019	<u>2,348</u>	<u>520</u>	<u>28</u>	<u>4</u>	<u>2,900</u>

Included in cost or valuation of land and buildings is freehold land of £601,000 which is not depreciated.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2020**

**13. STOCKS**

	31.8.20	31.8.19
	£'000	£'000
Oil	2	1
Clothing	<u>-</u>	<u>1</u>
	<u>2</u>	<u>2</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.20	31.8.19
	£'000	£'000
Other debtors	14	9
VAT	4	12
Prepayments and accrued income	<u>30</u>	<u>28</u>
	<u>48</u>	<u>49</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.20	31.8.19
	£'000	£'000
Trade creditors	11	12
Other creditors	26	23
Accruals and deferred income	<u>39</u>	<u>39</u>
	<u>76</u>	<u>74</u>

Deferred income

	£'000
Deferred income at 1 September 2019	18
Resources deferred in the year	25
Released from previous years	<u>(18)</u>
Deferred income at 31 August 2020	<u>25</u>

At the balance sheet date the academy trust was holding funds received in advance, including deposits for school trips, and grant income for the 20/21 school year.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.20	31.8.19
	£'000	£'000
Within one year	2	3
Between one and five years	<u>2</u>	<u>3</u>
	<u>4</u>	<u>6</u>

**17. 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.

**18. MOVEMENT IN FUNDS**

	At 1.9.19	Net	Transfers	At
	£'000	movement	between	31.8.20
	£'000	in funds	funds	£'000
	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>				
General fund	127	38	(57)	108
<b>Restricted funds</b>				
DfE Group grants	16	(40)	24	-
General Annual Grant	-	(29)	29	-
DfE Group - pupil premium	33	(15)	-	18
DfE Group Capital Grants	492	(19)	4	477
Fixed assets on conversion	2,348	(40)	-	2,308
Fixed assets purchased from GAG	60	(8)	-	52
Pension fund	(267)	(71)	-	(338)
Other restricted income	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
	<u>2,682</u>	<u>(221)</u>	<u>57</u>	<u>2,518</u>
<b>TOTAL FUNDS</b>	<u>2,809</u>	<u>(183)</u>	<u>-</u>	<u>2,626</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**18. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	83	(45)	-	38
<b>Restricted funds</b>				
DfE Group grants	90	(130)	-	(40)
General Annual Grant	688	(717)	-	(29)
DfE Group - pupil premium	29	(44)	-	(15)
DfE Group Capital Grants	5	(24)	-	(19)
Fixed assets on conversion	(1)	(39)	-	(40)
Fixed assets purchased from GAG	1	(9)	-	(8)
Pension fund	-	(54)	(17)	(71)
Other government grants	46	(46)	-	-
Other restricted income	10	(9)	-	1
	<u>868</u>	<u>(1,072)</u>	<u>(17)</u>	<u>(221)</u>
<b>TOTAL FUNDS</b>	<u>951</u>	<u>(1,117)</u>	<u>(17)</u>	<u>(183)</u>

**Comparatives for movement in funds**

	At 1.9.18 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.19 £'000
<b>Unrestricted funds</b>				
General fund	191	69	(133)	127
<b>Restricted funds</b>				
DfE Group grants	12	4	-	16
General Annual Grant	-	(115)	115	-
DfE Group - pupil premium	15	18	-	33
DfE Group Capital Grants	311	181	-	492
Fixed assets on conversion	2,313	35	-	2,348
Fixed assets purchased from GAG	52	(10)	18	60
Pension fund	(106)	(161)	-	(267)
Other restricted income	2	(2)	-	-
	<u>2,599</u>	<u>(50)</u>	<u>133</u>	<u>2,682</u>
<b>TOTAL FUNDS</b>	<u>2,790</u>	<u>19</u>	<u>-</u>	<u>2,809</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**18. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	110	(41)	-	69
<b>Restricted funds</b>				
DfE Group grants	64	(60)	-	4
General Annual Grant	689	(804)	-	(115)
DfE Group - pupil premium	30	(12)	-	18
DfE Group Capital Grants	16	165	-	181
Fixed assets on conversion	-	35	-	35
Fixed assets purchased from GAG	-	(10)	-	(10)
Pension fund	-	(29)	(132)	(161)
Other government grants	19	(19)	-	-
Other restricted income	<u>8</u>	<u>(10)</u>	<u>-</u>	<u>(2)</u>
	<u>826</u>	<u>(744)</u>	<u>(132)</u>	<u>(50)</u>
<b>TOTAL FUNDS</b>	<u>936</u>	<u>(785)</u>	<u>(132)</u>	<u>19</u>

General Annual Grant (GAG) - is applied in strict accordance with the terms of the Model Funding Agreement. Under the funding agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

DfE Group grants - these include:

- PE grant to fund improvements to the provision of PE and sports for primary pupils
- the rates relief to contribute to the rates bill
- the grant towards the universal infant free school meals provision
- a grant as part of the school's National Support School status to pay for due diligence activity for deployments funded through the school-to-school support fund
- the grant towards teachers' pay

DfE Group grants - Pupil premium:

- the pupil premium is used to assist pupils from low income families

Other government grants - that is the special education needs funding from Wiltshire County Council.

Other income - this is donations received that are restricted for various purposes.

Pension reserve - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**18. MOVEMENT IN FUNDS - continued**

DfE Group capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Other capital grants/donations - this represents the donations received for the purchase of fixed assets.

Fixed assets on conversion - this represents the value of land, buildings and other assets transferred from the Local Authority to the academy on conversion less depreciation.

Capital expenditure from GAG - this represents the cost less depreciation of assets purchased from the GAG.

The following transfers took place:

**19. PENSION AND SIMILAR OBLIGATIONS**

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

Contributions amounting to £12,000 were payable to the schemes at 31 August 2020 (2019: £12,000) and are included within creditors.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Teachers' pension scheme**

**Valuation of the teachers' pension scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £89,000 (2019: £62,000).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**Local government pension scheme**

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 2020 was £57,000 (2019: £48,000), of which employer's contributions totalled £46,000 (2019: £38,000) and employees' contributions totalled £11,000 (2019: £10,000). The agreed contribution rates for future years are 23.68 per cent for employers and 5.5 - 9.9 per cent for employees.

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Current service cost	94	62
Net interest from net defined benefit asset/liability	6	15
Past service cost	<u>-</u>	<u>2</u>
	<u>100</u>	<u>79</u>
Actual return on plan assets	<u>11</u>	<u>12</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Opening defined benefit obligation	737	500
Current service cost	94	62
Contributions by scheme participants	11	10
Past service cost	-	2
Interest cost	15	15
Benefits paid	(3)	-
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(7)	(42)
Actuarial (gains)/losses from changes in financial assumptions	28	190
Obligations other remeasurement	<u>(2)</u>	<u>-</u>
	<u>873</u>	<u>737</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Opening fair value of scheme assets	470	394
Contributions by employer	46	38
Contributions by scheme participants	11	10
Expected return	9	12
Actuarial gains/(losses)	2	16
Benefits paid	(3)	-
	<u>535</u>	<u>470</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Actuarial (gains)/losses from changes in demographic assumptions	7	42
Actuarial (gains)/losses from changes in financial assumptions	(28)	(190)
Obligations other remeasurement	<u>2</u>	<u>16</u>
	<u>(19)</u>	<u>(132)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
Equities	56%	71%
Bonds	32%	14%
Property	12%	13%
Cash	-	2%
	<u>100%</u>	<u>100%</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.20	31.8.19
Discount rate	1.70%	1.90%
Future salary increases	2.60%	2.60%
Future pension increases	2.20%	2.30%
Inflation (CPI)	2.20%	2.30%

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

	At 31 August 2020	At 31 August 2019
Current pensioners		
Males	21.7 years	21.4 years
Females	24.0 years	23.7 years
Future pensioners*		
Males	22.5 years	22.3 years
Females	25.5 years	25.1 years

\* Figures assume members aged 45 as at the last formal valuation date.

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
Change in assumption at 31 August 2020		
0.5% decrease in Real Discount Rate	15	135
0.5% increase in the Salary Increase Rate	1	13
0.5% increase in the Pension Increase Rate (CPI)	14	120

**20. RELATED PARTY DISCLOSURES**

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 Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

B Ball, the former headteacher and trustee, (resigned 31 August 2020), received £9,672 (2019: £9,554) in the period for commission on consultancy services provided to other schools. This amount is included in the trustee remuneration note.

