Company Registration Number: 08330636 (England & Wales)

ASPIRE FREE SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

ASPIRE FREE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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ASPIRE FREE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Collins
A Dickenson
P Hanson
C Hart
S Powell

Governors

J Bateman
P Collins, Chairman
C Hart, Vice Chair
J Hart
H Jones
J Lewis
M Scriven
J Smith
S Stevenson, Accounting Officer
D Titteron
K Bramford (resigned 4 June 2020)

Company registered number

08330636

Company name

Aspire Free School Academy Trust

Principal and registered office

Bridgwater Road
Worcester
WR4 9FQ

Company secretary

Linda Bowles

Senior leadership team

S Stevenson, Head Teacher
B Blower, Deputy Head Teacher
L Bowles, Director of Operations
L Thomas, Director of Lifelong Learning
A Lloyd, Assistant Head Teacher
D Wood, Assistant Head Teacher

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank plc
The Cross
Worcester
Hereford and Worcester
WR1 3PY

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The Trust operates an Alternative Provision Academy for pupils aged 11 to 16 serving to accept pupils from schools within Worcester City, the county of Worcestershire and further afield if appropriate. The Academy is funded for 120 FTE pupils; during the year ending 31st August 2020 the Academy worked with and registered 117 young people.

Structure, governance and management

a. Constitution

The Aspire Free School Academy Trust is a company limited by guarantee and an exempt charity.

The Charitable Company's Memorandum, Articles of Association and Funding Agreement are the primary governing documents of academy trust. The governors of The Aspire Free School Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as The Aspire Academy and was incorporated on 13th December 2012.

Details of the governors who served during the year are included in the Reference and Administrative Details of the Academy on page 1.

b. Members' liability

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

c. Governors' indemnities

During the period, an indemnity from the charitable company was available to the directors against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the charitable company. The indemnity is subject to the provisions of the Companies Act 2006 and is set out in the Articles of Association.

d. Method of recruitment and appointment or election of Governors

The Academy's Board of Governors is subject to retirement by rotation. Governors are eligible for re election at the meeting at which they retire. The governors to retire are those who have served the longest in office since their appointment or re election. New governors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors'. The term of office for any governor is 4 years, although this time limit does not apply to the Head Teacher.

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Governors

The Academy procures governor support services provided by Worcestershire Children First. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

f. Organisational structure

The full Board of Governors met four times during the period 1st September 2019 to 31st August 2020. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports, including polices, from its committees for adoption. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

The governors are responsible for setting general policy; adopting an annual improvement plan and budget; approving the statutory accounts; monitoring the Academy by the use of budgets and other data; and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

During the financial year two sub committees with delegated powers from the Board of Governors have met:

Finance & Human Resources met three times during the period and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management; compliance with reporting and regulatory requirements of reporting; drafting the annual budget, including setting staffing levels, all personnel issues and the annual review/recommendation of pay; and discussing all resource and premises issues, including health and safety.

Teaching & Learning met twice during the period and is responsible for monitoring, evaluation and review of Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and examinations.

The following decisions are reserved to the full Board of Governors: to consider any proposals for changes to the status or constitution of the Academy and its committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Head Teacher and Clerk to the Governors; to approve the annual School Improvement Plan, annual financial statements and the annual budget.

The Board of Governors have devolved responsibility for the day to day management of the Academy to the Head Teacher.

The Academy has a leadership structure which consists of the governors and Senior Leadership Team (SLT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Senior Leadership Team, as described in the Reference and Administrative Details on page 1, operates at an executive level, implementing the policies laid down by the governors and reporting back to them.

The Head Teacher, Director of Operations and Finance and Human Resources Committee are responsible for the authorisation of spending within agreed budgets. The Head Teacher is responsible for the appointment of staff and is the Accounting Officer.

Structure, governance and management (continued)

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

The key management personnel of the Academy are the Senior Leadership Team. The pay and remuneration of members of the leadership team, and those staff who are directors/governors, is set following a system of performance management in accordance with the appropriate Performance Management Policy, which is reviewed annually. In the case of the Head Teacher, performance management is undertaken by an independent School Improvement Partner and the Chair of Governors. Remuneration budgets are set annually and all recommendations for salary increases are approved by the Finance & Human Resources Committee. The gross pay of the Senior Leadership Team and staff governors, for the period, including on costs was: £431,266.

h. Trade union facility time

The school employs no trade union officials and therefore had no time or costs spent on union activities during the year.

i. Related parties and other connected charities and organisations

During 2019/2020 the Academy had links to the following establishments, who commissioned pupil places:

Baxter College
Bewdley High School
Birchensale Middle School
Bishop Perowne C of E College
Blessed Edwards Oldcorne Catholic College
Christopher Whitehead
Church Hill Middle School
Droitwich Spa High School
Dyson Perrins C of E Academy
Hanley Castle High School
North Bromsgrove High School
Nunnery Wood High School
Pershore High School
Prince Henry's High School
Ridgeway Academy
RSA Arrowvale
South Bromsgrove High School
St Augustine's High School
St Johns Middle School
St Nicholas Middle School
Stourport High School
The Chantry School
The De Montfort School
Trinity High School
Tudor Grange Academy, Redditch
Tudor Grange Academy, Worcester
Witton Middle School
Wolverley High School
Woodrush High School
Worcestershire Local Authority

The Academy has a business involvement to procure services from Worcester Warriors Community Foundation.

Objectives and activities

a. Objects and aims

The objects of the Aspire Free School Academy Trust are set out in the Company's Articles of Association.

The Board of Governors continue to set the Academy's strategic aims through the Academy's School Improvement Plan. These aims are monitored closely by the Board of Directors by way of Head Teacher and Senior Leadership Team reports and through the work of sub committees.

Objectives and activities (continued)

b. Objectives, strategies and activities

The aims and objectives of the Academy are derived from its mission statement which is to "work with our community, local employers and providers and voluntary organisations so we can offer the very best opportunities for our pupils".

Our key aim is to provide an outstanding, educational learning experience for pupils, thereby enabling them to progress to further education, employment or training, potentially in apprenticeships.

The objectives for the forthcoming year are outlined in the School Improvement Plan; the headline priorities are to:

- Adapt the five year strategic plan to respond appropriately to the pandemic and adjust our priorities accordingly towards well-being, which will continue to create a world class alternative provision with an engaging curriculum, blending academic programmes with vocational pathways.
- Maintain the confidence levels of the commissioning schools and increase the level and quality of partnerships and collaborative working.
- Continue the improvement in attendance of pupils to school and to lessons.
- Deepen the evidence of strong progress for pupils across the curriculum.
- Continue to significantly improve the academic outcomes for pupils.
- Drive improvement in the quality of all teaching and learning and up skill all staff to achieve excellence through in-house training and development.
- Continue to improve the management of behaviour to impact positively on pupil behaviour and welfare using the ARBOR MIS to generate the evidence base.
- Continue to develop the therapeutic services of the academy in order to meet the needs of pupils more effectively.
- In response to the pandemic there has been an increased focus on supporting well-being for both staff and pupils. The Well-being Award was achieved in December 2019 and work is ongoing to cement the best practices and extend support further.
- Increase the number of pupils sustaining destinations post 16 and to effectively monitor this for the 16 to 18 phase of past pupils.
- Successfully work towards and beyond the targets set out by Ofsted in May 2017 and be in a position to be potentially graded as outstanding at the next inspection in some areas.

c. Public benefit

In setting our objectives and planning our activities, the governors have carefully considered the Charity Commission's guidance on public benefit.

The Aspire Free School Academy Trust is fully committed to working in partnership with a variety of organisations to ensure that it is at the centre of its community and that it can access a wide range of services, advice and opportunities to support the education and outcomes for its pupils.

We value highly our relationship with the parents/carers of our pupils to ensure better outcomes for them. We have developed systems to provide an effective access of communication between the Academy and home, and also building on strategies to involve hard to reach parents through our contacts with community groups. By working together we are able to meet our aim of ensuring that all who come to The Aspire Academy will find it challenging, stimulating, supportive, a happy place to be and will enjoy their time here.

Strategic report

Achievements and performance

The achievement of an Ofsted 'GOOD' rating in terms of overall effectiveness and across all areas in May 2017, has continued to support our place in the educational provision available in Worcestershire.

Due to the Centre Assessed Grades creating the basis for awarding grades for pupils this Summer we were able to realise our best ever set of GCSE results to justly reward our most capable cohort of pupils yet. No pupil failed due to non-attendance or incomplete attendance across exams. This aptly reflected our determination and drive to secure better academic qualifications. Alongside large quantities of Functional Skills examination passes, and almost twice as many vocational successes, an increased number of pupils achieved 2 and 3 vocational qualifications, with 1 pupil achieving 6 vocational passes and pupils achieving 7 GCSEs.

Two of our staff have successfully completed their transition from teaching assistant to qualified teacher and they are embarking on their NQT year with us this year. There has been more intense training for safeguarding for all staff, but notably for our dedicated safeguarding team.

a. Key performance indicators

The achievement of a Good Ofsted rating for overall effectiveness is significant. The achievement of the Basic Skills Quality Mark (BSQM) underpins the strong work that goes on in basic skills support at the Academy. The appointment of a second School Improvement Partner helped the monitoring of teaching and learning and supported the developments in assessment, as well as producing review reports for PPG and SEND. Baseline assessments are now in place. We are in the final year of our relationship with 'Schools of Tomorrow' which supports our peer review and improvement and provided the basic structure of our school improvement plan.

We are 100% compliant to the Gatsby Careers benchmarks having appointed a Careers Lead in September 2018 to work through the 2-year process.

A comprehensive self evaluation executive summary by the Head Teacher is currently in progress and early signs are that the school is now well placed to move for outstanding and achieving excellence, for example, demonstrating significant improvements in attendance from historic home school baselines. This now stands at, on average, a 2.1% improvement per pupil.

Contributing developments to the 'Good' rating include:

- Developing school improvement to include a fellowship of schools (SOTO) that is not just local.
- Head Teacher performance management targets.
- Improved Governor challenge and support.
- Broad curriculum offer, including Science. GCSE Physics achieved for the first time in the 2018 results.
- Quality Assurance from commissioning schools and latterly though the teaching schools.
- Extended vocational pathways and introductions of learning outside the classroom spaces for Forest School and the allotment.
- Securely 'good' teaching and learning.
- Significantly improved marking scrutiny and lesson planning. The creation of working mark-books and the use of them in supporting parent-teacher consultations.

Since the outbreak of the pandemic we have had 0 positive cases for staff and pupils, although symptoms have resulted in pupils isolating while awaiting test results which, at the time of writing have all been negative.

The turbulence caused by the pandemic saw 2 referrals made between April 1st and August 31st impacting on our finances, the NOR and the overall average occupancy. The challenge to respond to this will last throughout

Strategic report (continued)

Achievements and performance (continued)

the year and beyond with already a slow referral rate coming in from schools who are operating themselves in uncertain times. Our average occupancy fell to below that of previous years due to the impact of COVID-19 and the lack of referrals from March 2020. This creates uncertainty as to the level of funding we may receive next year from the ESFA due to the way we are funded.

b. Going concern

After consideration of the school's financial position, its financial plans (including projected pupil numbers), the demand for places and the broader environment, the Board of Governors have reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Academy continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the Statements of Accounting Policies.

Financial review

Restricted General Fund

The Academy's income was received from the Education and Skills Funding Agency (ESFA) by way of the General Annual Grant (GAG), 'Top Up' funding from referring schools, based on actual pupil places, grants from the Office of the Police Crime Commissioner and the British Council. The use of this funding is restricted to the Academy's charitable activities – its educational operations.

This revenue income, and associated revenue expenditure, are detailed in the SOFA. General Restricted Fund income for the period was £1,809,319; expenditure against the fund was £1,754,565, actuarial losses in the fund were £32,000 and transfers out were £1,088. The overall Restricted General Fund reserves are £799,482 before the pension deficit of £1,117,000.

Unrestricted Funds

Income received into the Unrestricted Fund was £7,406. Expenditure was £nil for the year. The unrestricted funds are the Academy's free reserves. The overall Unrestricted Fund reserves are £27,184.

Restricted Fixed Asset Fund

The following capital income was received during the year:

- ESFA Formula Capital Funding of £4,068
- Revenue contribution to capital of £1,088 made from the Restricted General Fund
- Capital Donations £1,633

The Restricted Fixed Asset Fund balance is reduced by any disposals made together with the annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

The SOFA details a £4,157,547 Restricted Fixed Asset Fund period end surplus after transfers between funds.

Strategic report (continued)

Financial review (continued)

Summary of Financial Performance

Total fund balance as at 31st August 2020 was £3,869,213 comprising £27,184 £(317,518) and £4,159,547 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively.

Balance Sheet

The Academy's assets are predominantly used for providing education to school pupils. The net book value of the Academy's tangible fixed assets was £4,159,547 as at 31st August 2020. The movement in this account is detailed in note 14.

Cash in hand at 31st August 2020 was £787,827.

a. Reserves policy

The Reserves Policy determines that the Academy should aim to maintain a minimum level of free reserves at an average of three month's average expenditure. To provide sufficient working capital to cover timing issues between spending and the receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, a cash balance of £300k should be maintained. To enable the Academy to maintain this level of free reserves we undertake to uphold the principles of best value, maintain the policy undertaking price comparisons and competitive tendering and make strategic efficiency savings where possible.

A deficit of £991,000 existed in respect of the Local Government Pension Scheme at the start of the period; the 2020 actuarial valuation showed a deficit of £1,117,000 at the close of the period. The DfE have made assurances that in the event of a school closure, they would meet any deficit in the scheme.

As at 31st August 2020 the fund balances were:
- Unrestricted Fund: £27,184
- Restricted General Fund: £799,482
- Free reserves: £826,666

The Academy currently holds free reserves in excess of three month's average expenditure. The Governors deem this prudent to accommodate pupil number fluctuations and funding uncertainties. The Academy maintains a working 5-year budget plan to assist in forward planning and thus providing early warning indicators to the depletion of the Academy reserves.

b. Investment policy

The governing body is responsible for setting the investment policy. The day to day responsibility for managing this function has been delegated to the Director of Operations. To attract additional income, the Academy operates a 32-day notice deposit account. Where cash flow balances indicate a continued cash balance in excess of £300,000 the difference will be available for deposit into the Academy's deposit account.

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Board of Governors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

d. Risk Management

The Board of Governors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. The review of the Strategic Risk Register: Financial and Reputational Risks is a standing item on Governing Body meeting agendas.

The Board of Governors have implemented a number of systems to assess and reduce the risks that the Academy faces, especially in operational areas in relation to teaching, health and safety (including trips and the Academy's minibuses), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of pupils around the Academy site and internal financial controls to minimise financial risk. Insurance is in place through the DfE Risk Protection Arrangement (RPA) and with Zurich Insurance for vehicle, engineering and Inspection cover.

The Academy has an effective system of internal financial control as explained in the Statement on Internal Control. The Academy has undertaken a full review of the main areas of risk which it faces, including health and safety and child protection policies and procedures.

e. Fundraising

The Academy Trust does not carry out significant fundraising activities.

f. Streamlined energy and carbon reporting

As the Trust has not consumed more than 40,000kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

The Aspire Free School Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further education and higher education or employment. There is in an increasing trend in the number of qualifications offered and achieved as the 2020 results testify to.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every pupil achieve their full potential.

The Academy believes that developing the whole pupil is critical to improving levels of attainment and in developing broader skills and character that will develop pupils' commitment to lifelong learning and enrich their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its pupils in a relentlessly reasonable way, to offer a broad range of extra curricular activities though its 'Aspire Plus' programme and to ensure they get the best quality careers education information, advice and guidance. Following the outstanding direction of the careers leader who drives the careers strategy (a statutory Government initiative) we have successfully completed and achieved all the Gatsby benchmarks.

Funds held as custodian on behalf of others

There are no Funds held as Custodian Governor on behalf of others.

Disclosure of information to auditor

Insofar as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on and signed on its behalf by:

P Collins
Chair of Governors

22/12/20

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. In addition to informal meetings and visits to the school, the Board of Governors met formally four times during the year.

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

Governor	Meetings attended	Out of a possible
J Bateman	3	4
P Collins, Chairman	4	4
C Hart, Vice Chair	4	4
J Hart	3	4
H Jones	2	4
J Lewis	2	4
M Scriven	2	4
J Smith	1	4
S Stevenson, Accounting Officer	4	4
D Titteron	3	4
K Bramford (resigned 4 June 2020)	1	3

One governor resigned during the year. There is currently 2 governor vacancies, one of which is a parent governor, which is allowed under the Articles of Association.

The Governing Body has determined that it is able to convene on a termly basis and maintain effective oversight. In addition to the 4 x Full Governing Body meetings, other committees with delegated terms of reference have met during the year. These additional meetings included 3 x Finance & HR committee and 2 x Teaching & Leaning committee meetings. The Chair of Governors visits the school and meets with the Head Teacher on a regular basis to monitor progress, and is kept informed of any pertinent matters which may arise from time to time. The Academy has a designated Safeguarding Governor who meets half-termly with the Designated Safeguarding Lead, and at other times if necessary. The Chair of Governors and Finance Governors receive monthly Management Account reports relating to the financial position of the Academy. E-mail communications have continued to prove an effective way in which to keep Governors informed between meetings. The Academy also operates a document 'shared drive' where relevant information is shared with Governors in preparation for meetings etc. Governors are encouraged to visit the Academy at any time to meet with the Head Teacher and other staff, or simply observe aspects of the school day.

Governance (continued)

In the autumn term of the 2019/2020 school year the School Improvement Partner (SIP) and the Chair of Governors (CoG) reviewed the progress with the Head Teacher against the School Improvement Plan for progress 2018/2019 and it was agreed that significant progress had been made. The expectation was that this would continue in the academic year 2019/2020.

Aware of the need to fill vacancies on the Governing Body, the Chair pursued leads. One was the daughter of a serving governor and the other was a contact made through our association with the Police and Crime Commissioners (PCC) Office. Unfortunately, both potential candidates felt that they could not commit the time required.

From the onset of the Covid 19 pandemic, the principal focus of the work of the Governing Body has been to ensure the safety and wellbeing of staff and pupils. From the outset and through mainstream provision and shut down, Aspire Academy was instructed by the Department for Education (DFE) to remain open to cater for children of front line workers and those with special educational needs. In line with mainstream provision a bank of online work was provided for pupils whose parents/guardians did not feel safe sending their children into school. The Chair of Governors discussed appropriate arrangements to minimise the risk of infection with the governor's health and safety representative. We also monitored the daily attendance and ensured that we submitted the relevant information to the Local Authority (LA) and the DFE. At the time of writing these arrangements are still in force (although we are no longer required to report attendance data) and, as far as we are aware, we remain Covid 19 free.

In order to promote engagement with meetings, we moved to a virtual platform via Zoom which is now accepted as the norm until restrictions are lifted.

In October 2019, CoG and Governors received notification that, as the result of a complaint by a parent, the Education and Skills Funding Agency required assurances that we were compliant with the conditions of our funding by the ESFA. We complied with this request for information and the relevant extract from its reply is written below:

"The regulatory role of the Education and Skills Funding Agency (ESFA) is to ensure Academy Trusts fulfil their safeguarding responsibilities. I have reviewed all the information provided and am content that the safeguarding processes in the academy comply with:

- The Education (independent School Standards) Regulations 2014
- The guidance issued by the Secretary of State
- Its own policies and procedures

As I have received the appropriate assurances, this case will be closed."

What this demonstrated was that our safeguarding procedures are exemplary and well monitored by our safeguarding Lead Governor.

Examination performance has to be a significant indicator of success for pupils at Aspire. Having spoken to the Examinations Officer at great length regarding outcomes based on predictions, we are both confident that the 2020 examination results are exceptional. If we went back to the early days, we had to close the school in order to create an environment which would satisfy examination regulations; this is testament to how we have progressed.

Looking to the future, our biggest challenge will undoubtedly be funding. Will our funding be maintained or will we have to look at how we can cut expenditure or generate income? To this end we have set up a task group to explore possibilities.

Governance (continued)

The Finance and Human Resources Committee, a sub committee of the main Board of Governors, met on three occasions, it's remit is to:

- Monitor, evaluate and review policy and performance in relation to financial management.
- Ensure compliance with reporting and regulatory requirements and reporting.
- Draft the annual budget.
- Monitor and set staffing levels.
- Oversee staff Performance Management.
- Discuss all resource and premises issues, including health and safety.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
J Bateman	2	3
K Bramford (resigned 4 June 2020)	2	3
P Collins	3	3
C Hart	2	3
S Stevenson	3	3
D Titterton (Sub-committee Chair)	3	3

Review of value for money

As Accounting Officer, the Head Teacher 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 Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Savings of 37% have been secured on a new 3-year broadband contract; this was possible through competitive price comparisons and by ensuring that security services/software has not been duplicated through the Broadband and ICT support solutions.
- A competitive pricing exercise was undertaken to upgrade the existing CCTV solution with the lowest tender being accepted. This upgrade has improved the usability of the system and reduced the annual maintenance operating costs.
- Following the Governors decision in the previous year to obtain staff absence insurance, governors decided to continue this in 19/20. The initial provider was unable to provide cover to the market, so a competitive pricing exercise was undertaken. Cover was secured at a slight reduction on the previous year (9%) and with improved well-being benefits for staff.
- On line price comparisons continue to prove effective with the speed of both obtaining prices and ascertaining market availability.
- The use of an Academy business charge card allows us to take advantage of on line purchasing to achieve competitive pricing and where it is not practical to set up a credit account.
- Competitive price analysis and negotiation is routinely undertaken to secure best prices. Both on line and with current suppliers. An internal requisition process is in place, requiring price comparisons on general curriculum resources; this helps achieve best prices and encourages curriculum leaders to reflect on their purchases and monitor budgets.

Review of value for money (continued)

- The Crescent Purchasing Consortium website continues to be used to access purchasing frameworks and contact suppliers in various areas to obtain pricing quotations.
- The Academy continues to make good supplier contacts and value for money can now be assessed on both price and service received.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Aspire Free School Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 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 Governors.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors.
- Regular reviews by the Finance 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.
- Identification and management of risks.

For the year ended 31/08/2020, the Board of Governors considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the Governors have appointed Crowe U.K. LLP, the external auditor, to carry out the internal scrutiny works.

On a termly basis, the external auditor reported to the Board of Governors through the Finance & HR Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities and prepares a report with recommendations on any findings.

The risk and control framework (continued)

The checks carried out in the period included tests in the following areas:

- ESFA Income
- Cash Handling
- Purchasing and Purchase Ledger
- Business Card Expenditure
- Payroll
- IT Backups and Security
- Budget and Budget Monitoring
- Fraud and Irregularity
- Journals
- Insurance Levels

These checks have been reported by the external auditor, through the Finance and HR Committee to the Board of Governors, together with a report of recommendations on findings. No material control issues have arisen and all recommendations have been implemented where applicable.

To comply with the revised FRC Ethical Standards for auditors, the Board of Governors have engaged the services of Randall & Payne LLP to undertake the internal assurance checks for the accounting period ending 31/08/2021.

Review of effectiveness

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

- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 Governors on and signed on their behalf by:

Phil Collins
Chair of Governors

2/12/2020

S Stevenson
Accounting Officer

2/12/2020

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

SStevenson 2/12/2020

S Stevenson
Accounting Officer
Date:

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on and signed on its behalf by:

S Stevenson

S Stevenson
Accounting officer

2/12/2020

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE FREE SCHOOL ACADEMY TRUST

Opinion

We have audited the financial statements of Aspire Free School Academy Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Dave Darlaston (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
2 December 2020

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE FREE SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 September 2020 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 Aspire Free School Academy Trust during the year 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 Aspire Free School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aspire Free School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aspire Free School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aspire Free School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Aspire Free School Academy Trust's funding agreement with the Secretary of State for Education dated 2013 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 year 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw a conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed test on samples of costs incurred by the academy and specific transactions identified from our review.

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Crowe UK LLP

Crowe U.K. LLP

Reporting Accountant
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Date: 2 December 2020

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from:						
Donations and capital grants	3	-	26,906	5,701	32,607	*44,087*
Charitable activities	4	-	1,779,600	-	1,779,600	*1,806,030*
Other trading activities	5	5,695	2,813	-	8,508	*19,395*
Investments	6	1,711	-	-	1,711	*2,176*
Total income		7,406	1,809,319	5,701	1,822,426	*1,871,688*
Expenditure on:						
Charitable activities		-	1,754,565	115,124	1,869,689	*2,016,214*
Total expenditure	7	-	1,754,565	115,124	1,869,689	*2,016,214*
Net income/(expenditure)		7,406	54,754	(109,423)	(47,263)	*(144,526)*
Transfers between funds	17	-	(1,088)	1,088	-	-
Net movement in funds before other recognised gains/(losses)		7,406	53,666	(108,335)	(47,263)	*(144,526)*
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	19	-	(32,000)	-	(32,000)	*(310,000)*
Net movement in funds		7,406	21,666	(108,335)	(79,263)	*(454,526)*
Reconciliation of funds:						
Total funds brought forward	17	19,778	(339,184)	4,267,882	3,948,476	*4,403,002*
Total funds carried forward	17	27,184	(317,518)	4,159,547	3,869,213	*3,948,476*

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 27 to 50 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		*2019 £*
Fixed assets					
Tangible assets	14		**4,159,547**		*4,267,882*
			4,159,547		*4,267,882*
Current assets					
Debtors	15	**126,046**		*103,042*	
Cash at bank and in hand	23	**787,827**		*704,602*	
		913,873		*807,644*	
Creditors: amounts falling due within one year	16	**(87,207)**		*(136,050)*	
Net current assets			**826,666**		*671,594*
Total assets less current liabilities			**4,986,213**		*4,939,476*
Defined benefit pension scheme liability	19		**(1,117,000)**		*(991,000)*
Net assets including pension scheme liabilities			**3,869,213**		*3,948,476*
Funds of the Academy					
Restricted funds:					
Restricted fixed asset funds	17	**4,159,547**		*4,267,882*	
Restricted income funds	17	**799,482**		*651,816*	
Restricted income funds excluding pension asset	17	**4,959,029**		*4,919,698*	
Pension reserve	17	**(1,117,000)**		*(991,000)*	
Total restricted income funds	17		**3,842,029**		*3,928,698*
Unrestricted income funds	17		**27,184**		*19,778*
Total funds			**3,869,213**		*3,948,476*

The financial statements on pages 24 to 50 were approved by the Governors, and authorised for issue on 2/12/2020

P Collins
Chair of Governors

The notes on pages 27 to 50 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	*2019* *£*
Cash flows from operating activities			
Net cash provided by operating activities	21	**82,602**	*251,650*
Cash flows from investing activities	22	**623**	*(46,403)*
Change in cash and cash equivalents in the year		**83,225**	*205,247*
Cash and cash equivalents brought forward		**704,602**	*499,355*
Cash and cash equivalents carried forward	23, 24	**787,827**	*704,602*

The notes on pages 27 to 50 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aspire Free School Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Company Status

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registered number 08330636). The address of the registered office is Aspire Free School Academy Trust, Bridgwater Road, Worcester, WR4 9FW.

1.3 Going concern

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

1. Accounting policies (continued)

1.4 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship income**

  Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

- **Donations**

  Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

- **Other income**

  Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

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

- **Charitable activities**

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

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- Straight line over 50 years
Furniture and equipment	- Straight line over 5 years
Computer equipment	- Straight line over 3-5 years

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

1.7 Provisions

Provisions are recognised when the Academy 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.

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no critical judgments which would have a material impact on the financial statements.

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Other grants	26,906	-	**26,906**
Capital Grants	-	5,701	**5,701**
	26,906	5,701	**32,607**

	Restricted funds 2019 £	*Restricted fixed asset funds 2019 £*	*Total funds 2019 £*
Other grants	*34,968*	-	*34,968*
Capital Grants	-	*9,119*	*9,119*
	34,968	*9,119*	*44,087*

4. Funding for Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	1,200,000	**1,200,000**
Other DfE/ESFA grants	579,600	**579,600**
Total 2020	1,779,600	**1,779,600**

4. Funding for Academy's educational operations (continued)

	Restricted funds 2019 £	*Total funds 2019 £*
DfE/ESFA grants		
General Annual Grant (GAG)	*1,208,631*	*1,208,631*
Other DfE/ESFA grants	*597,399*	*597,399*
Total 2019	*1,806,030*	*1,806,030*

5. Income from other trading activities

	Unrestricted funds 2020 £	**Restricted funds 2020 £**	**Total funds 2020 £**
Other income	5,695	2,813	**8,508**

Conditions around the restriction on travel contributions income was reassessed during the year and as a result has been reclassified from unrestricted funds to restricted funds.

	Unrestricted funds 2019 £	*Total funds 2019 £*
Other income	*19,395*	*19,395*

6. Investment income

	Unrestricted funds 2020 £	**Total funds 2020 £**
Bank interest receivable	1,711	**1,711**

6. Investment income (continued)

	Unrestricted funds 2019 £	*Total funds 2019 £*
Bank interest receivable	*2,176*	*2,176*

7. Expenditure

	Staff Costs 2020 £	**Premises 2020 £**	**Other 2020 £**	**Total 2020 £**
Funding for educational operations:				
Direct costs	999,170	115,124	105,518	**1,219,812**
Support Costs	407,686	77,350	164,841	**649,877**
	1,406,856	192,474	270,359	**1,869,689**

	Staff Costs 2019 £	*Premises 2019 £*	*Other 2019 £*	*Total 2019 £*
Funding for educational operations:				
Direct costs	*1,034,605*	*172,720*	*135,144*	*1,342,469*
Allocated support costs	*374,951*	*116,418*	*182,376*	*673,745*
	1,409,556	*289,138*	*317,520*	*2,016,214*

8. Support costs

	Total funds 2020 £	*Total funds 2019 £*
Staff costs	**407,686**	*374,951*
Technology costs	**31,220**	*35,309*
Legal costs	**9,094**	*8,152*
Maintenance of premises and equipment	**77,350**	*116,418*
Other support costs	**113,941**	*128,422*
Governance costs	**10,586**	*10,493*
	649,877	*673,745*

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the trust's activities. These costs will include any employee benefits for governorship, the cost of trust employees involved in meetings with governors, the cost of any administrative support provided to the governors, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

9. Net income/(expenditure)

Net income/(expenditure) for the year is stated after charging:

	2020 £	*2019 £*
Operating lease rentals	**22,616**	*23,983*
Depreciation of tangible fixed assets	**115,124**	*172,720*
Fees paid to auditor for:		
- audit	**5,250**	*4,750*
- other services	**1,150**	*1,050*

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	*2019 £*
Wages and salaries	989,990	*996,421*
Social security costs	88,207	*90,184*
Operating costs of defined benefit pension schemes	315,375	*266,996*
	1,393,572	*1,353,601*
Agency staff costs	13,284	*55,955*
	1,406,856	*1,409,556*

b. Staff numbers

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

	2020 No.	*2019 No.*
Teachers	12	*14*
Management	6	*6*
Administration and support	20	*18*
	38	*38*

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year other than S Stevenson disclosed in note 11.

d. Key management personnel

The key management personnel of the Academy comprise the Governors 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 was £431,578 *(2019 £369,315)*.

11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2020	*2019*
		£	*£*
S Stevenson, Accounting Officer	Remuneration	**70,000 - 75,000**	*70,000 - 75,000*
	Pension contributions paid	**15,000 - 20,000**	*10,000 - 15,000*
H Jones	Remuneration	**20,000 - 25,000**	*20,000 - 25,000*
	Pension contributions paid	**0 - 5,000**	*0 - 5,000*

During the year ended 31 August 2020, no Governors expenses have been incurred *(2019 - £NIL)*.

12. Governors' 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 governors 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

13. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 11.

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	4,700,295	199,659	210,463	5,110,417
Additions	430	2,798	3,561	6,789
Disposals	-	-	(2,424)	(2,424)
At 31 August 2020	4,700,725	202,457	211,600	5,114,782
Depreciation				
At 1 September 2019	484,910	171,236	186,389	842,535
Charge for the year	94,011	14,215	6,898	115,124
On disposals	-	-	(2,424)	(2,424)
At 31 August 2020	578,921	185,451	190,863	955,235
Net book value				
At 31 August 2020	4,121,804	17,006	20,737	4,159,547
At 31 August 2019	*4,215,385*	*28,423*	*24,074*	*4,267,882*

15. Debtors

	2020 £	*2019 £*
Due within one year		
Trade debtors	81,824	*65,665*
VAT debtor	2,972	*2,741*
Prepayments and accrued income	41,250	*34,636*
	126,046	*103,042*

16. Creditors: Amounts falling due within one year

	2020 £	*2019* *£*
Trade creditors	-	*6,856*
Other taxation and social security	22,732	*23,524*
Other creditors	24,015	*20,584*
Accruals and deferred income	40,460	*85,086*
	87,207	*136,050*

	2020 £	*2019* *£*
Deferred income		
Deferred income at 1 September 2019	17,346	*16,967*
Resources deferred during the year	17,681	*17,346*
Amounts released from previous periods	(17,346)	*(16,967)*
Deferred income as at 31 August 2020	17,681	*17,346*

The deferred income comprises of rates relief income.

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	19,778	7,406	-	-	-	27,184
Restricted general funds						
General Annual Grant	639,834	1,200,000	(1,039,264)	(1,088)	-	799,482
Other DfE/EFSA grants	-	579,763	(579,763)	-	-	-
Pupil registration	-	2,650	(2,650)	-	-	-
Other grants	11,982	26,906	(38,888)	-	-	-
Pension reserve	(991,000)	-	(94,000)	-	(32,000)	(1,117,000)
	(339,184)	1,809,319	(1,754,565)	(1,088)	(32,000)	(317,518)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	4,267,882	5,701	(115,124)	1,088	-	4,159,547
Total Restricted funds	3,928,698	1,815,020	(1,869,689)	-	(32,000)	3,842,029
Total funds	3,948,476	1,822,426	(1,869,689)	-	(32,000)	3,869,213

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

1) General Annual Grant: this must be used for the normal running costs of the Academy Trust.
2) Other DfE/ESFA grants: this fund relates to other grants received which must be used for the purpose intended.
3) Other grants relate to an OPCC grant received from the Office of the Police Crime Commissioner which must be used for after school provisions only and a British Council Exchange grant received which must be used for the pupil exchange trip to Zambia.
4) Restricted fixed asset fund: this fund relates to resources which must be applied for specific capital purposes intended.
5) The Government capital grant funds are provided by the Government for specific capital projects. Such funds are to be treated as restricted due to restrictions imposed by the DfE over the use and disposal of the related assets.

17. Statement of funds (continued)

6) The restricted income funds are subject to specific expenditure within the Trust's declared objects.
7) Transfers represent expenditure on fixed assets from the General Annual Grant.

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

17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2019* £
Unrestricted funds						
General Funds	*31,153*	*21,571*	*(32,946)*	-	-	*19,778*
Restricted general funds						
General Annual Grant	*576,945*	*1,208,631*	*(1,097,163)*	*(48,579)*	-	*639,834*
Other DfE/EFSA grants	-	*592,312*	*(592,312)*	-	-	-
Pupil registration	-	*5,087*	*(5,087)*	-	-	-
Other grants	-	*34,968*	*(22,986)*	-	-	*11,982*
Pension reserve	*(588,000)*	-	*(93,000)*	-	*(310,000)*	*(991,000)*
	(11,055)	1,840,998	(1,810,548)	*(48,579)*	*(310,000)*	*(339,184)*
Restricted fixed asset funds						
Restricted Fixed Asset Funds	*4,382,904*	*9,119*	*(172,720)*	*48,579*	-	*4,267,882*
Total Restricted funds	*4,371,849*	*1,850,117*	*(1,983,268)*	-	*(310,000)*	*3,928,698*
Total funds	*4,403,002*	*1,871,688*	*(2,016,214)*	-	*(310,000)*	*3,948,476*

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	4,159,547	**4,159,547**
Current assets	27,184	886,689	-	**913,873**
Creditors due within one year	-	(87,207)	-	**(87,207)**
Provisions for liabilities and charges	-	(1,117,000)	-	**(1,117,000)**
Total	27,184	(317,518)	4,159,547	**3,869,213**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	*Restricted funds 2019 £*	*Restricted fixed asset funds 2019 £*	*Total funds 2019 £*
Tangible fixed assets	-	-	4,267,882	*4,267,882*
Current assets	19,778	787,866	-	*807,644*
Creditors due within one year	-	(136,050)	-	*(136,050)*
Provisions for liabilities and charges	-	(991,000)	-	*(991,000)*
Total	19,778	(339,184)	4,267,882	*3,948,476*

19. Pension commitments

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

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

Contributions amounting to £24,015 were payable to the schemes at 31 August 2020 *(2019 - £20,584)* and are included within creditors.

19. Pension commitments (continued)

Teachers' Pension Scheme

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

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

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 year amounted to £136,733 *(2019 - £102,124)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

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

19. Pension commitments (continued)

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 £109,000 *(2019 - £95,000)*, of which employer's contributions totalled £84,000 *(2019 - £72,000)* and employees' contributions totalled £25,000 *(2019 - £23,000)*. The agreed contribution rates for future years are 14.1% for employers and between 5.5% and 12.50% for employees.

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

The deficit contributions due in 2020/21 are £22,700.

Principal actuarial assumptions

	2020	*2019*
	%	*%*
Rate of increase in salaries	**3.80**	*3.50*
Rate of increase for pensions in payment/inflation	**2.40**	*2.10*
Discount rate for scheme liabilities	**1.80**	*1.80*
Inflation assumption (CPI)	**2.30**	*2.00*

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

	2020	*2019*
	Years	*Years*
Retiring today		
Males	**22.6**	*22.8*
Females	**25.0**	*25.8*
Retiring in 20 years		
Males	**24.2**	*25.1*
Females	**27.0**	*28.2*

19. Pension commitments (continued)

Sensitivity analysis

	2020 £000	*2019 £000*
Discount rate +0.1%	**(45,000)**	*(40,000)*
Discount rate -0.1%	**46,000**	*41,000*
Mortality assumption - 1 year increase	**52,000**	*27,000*
Mortality assumption - 1 year decrease	**(51,000)**	*(27,000)*
CPI rate +0.1%	**45,000**	*41,000*
CPI rate -0.1%	**(44,000)**	*(41,000)*

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

	2020 £	*2019 £*
Equities	**482,000**	*404,000*
Government bonds	**49,000**	*43,000*
Other bonds	**39,000**	*29,000*
Property	**39,000**	*34,000*
Cash and other liquid assets	**31,000**	*17,000*
Other	**91,000**	*44,000*
Total market value of assets	**731,000**	*571,000*

The actual return on scheme assets was £54,000 *(2019 - £22,000).*

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

	2020 £	*2019 £*
Current service cost	**159,000**	*114,000*
Past service cost	**-**	*34,000*
Net interest	**17,000**	*16,000*
Administrative expenses	**2,000**	*1,000*
Total amount recognised in the Statement of Financial Activities	**178,000**	*165,000*

19. Pension commitments (continued)

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

	2020 £	*2019 £*
At 1 September	**1,562,000**	*1,049,000*
Current service cost	**159,000**	*114,000*
Interest cost	**28,000**	*31,000*
Employee contributions	**25,000**	*23,000*
Actuarial losses	**75,000**	*316,000*
Benefits paid	**(1,000)**	*(5,000)*
Past service costs	**-**	*34,000*
At 31 August	**1,848,000**	*1,562,000*

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

	2020 £	*2019 £*
At 1 September	**571,000**	*461,000*
Interest income	**11,000**	*15,000*
Actuarial gains	**43,000**	*6,000*
Employer contributions	**84,000**	*72,000*
Employee contributions	**25,000**	*23,000*
Benefits paid	**(1,000)**	*(5,000)*
Administrative expenses	**(2,000)**	*(1,000)*
At 31 August	**731,000**	*571,000*

20. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	*2019 £*
Not later than 1 year	**25,644**	*18,436*
Between 1 and 5 years	**28,126**	*30,998*
	53,770	*49,434*

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(47,263)	(144,526)
Adjustments for:		
Depreciation	115,124	172,720
Capital grants from DfE and other capital income	(5,701)	(9,119)
Bank Interest	(1,711)	(2,176)
Defined benefit pension scheme cost less contributions payable	75,000	76,000
Defined benefit pension scheme finance cost	19,000	17,000
(Increase)/decrease in debtors	(23,004)	100,093
(Decrease)/increase in creditors	(48,843)	41,658
Net cash provided by operating activities	82,602	251,650

22. Cash flows from investing activities

	2020 £	2019 £
Bank interest	1,711	2,176
Purchase of tangible fixed assets	(6,789)	(57,698)
Capital grants from DfE Group	5,701	9,119
Net cash provided by/(used in) investing activities	623	(46,403)

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	787,827	704,602

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	704,602	83,225	787,827
	704,602	83,225	787,827

25. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.