Company Registration Number: 08699391 (England & Wales)

BEECROFT ACADEMY

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

BEECROFT ACADEMY

(A Company Limited by Guarantee)

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M G Fowler M Boyle S Dutnall H Bell J Martin
Governors	H Bell J Martin[1] D Watson, Staff Governor M G Fowler, Chair[1] V Reavey, Staff Governor[1] D Hughes (appointed 10 December 2018, resigned 1 September 2019)[1] S Dutnall[1] M Boyle, Vice Chair[1] M Hart, Staff Governor (appointed 6 July 2020, resigned 1 September 2019) T Davis N Hackett, Head Teacher (from 1 September 2019)[1] L Salan[1] S Hughes (appointed 1 September 2019) S Brennan (appointed 9 December 2019, resigned 17 October 2020) A Santos (appointed 13 March 2020) [1] Members of resources committee
Company registered number	08699391
Company name	Beecroft Academy
Principal and registered office	Westfield Road Dunstable Bedfordshire LU6 1DW
Senior management team	N Hackett, Head Teacher (appointed 1 September 2019) Mrs S Hughes, Deputy Head Teacher (appointed 1 September 2019) Mrs C Mitchell, Assistant Head Teacher Mrs M Phillips, Director of Finance and Administration (retired 31 December 2019) Mrs E Taylor, Director of Finance and Administration (appointed 1 January 2020)

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

Independent auditor	Streets Audit LLP Chartered Accountants Statutory Auditor Potton House Wyboston Lakes Great North Road Wyboston Bedford MK44 3BZ
Bankers	Natwest Bank Plc Leicester Customer Service Centre Bede House 11 Western Boulevard Leicester LE2 7EJ
Solicitors	Michelmores Solicitors Woodwater House Pynes Hill Exeter Devon EX2 5WR

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 1 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 Academy for pupils aged 4 to 11 serving north Dunstable. It has a pupil capacity of 420 and had a roll 405 pupils on roll in the January 2020 census.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Governors of Beecroft Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Beecroft Academy.

Details of the Governors who served during the year and to the date these accounts are approved are included in the Reference and administrative details 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. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts and omissions occurring whilst on Academy business. The insurance provides cover of up to £10,000,000.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

The Governors are Directors of the charitable company for the purposes of the Companies Act 2006 and Governors for the purposes of charity legislation.

The Members of the Academy trust are comprised of:-
The Chair of Governors
The Vice Chair of Governors
The Chair of the Resources Committee (if different from above)
Any persons appointed by the Members.

There will always be a minimum of three Members

The Governors comprise of parent Governors, who are elected by the parents. Staff Governors who are elected by members of staff. Community members who are elected by the Members. (For names of Members see page 1).

Governors' term of office is four years but they are eligible for re election at the meeting at which they retire. At the AGM of each year the Governors will elect a Chair and a Vice Chair.

e. Policies adopted for the induction and training of Governors

The training and induction provided for new Governors will depend upon their existing experience and knowledge of the Academy and would always include the opportunity of a tour of the Academy and an opportunity to meet staff and pupils. All Governors are signposted to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Governors have a dedicated Portal. Governors are encouraged to participate in courses offered by the Local Authority and to use on-line training and to attend Academy staff training and training is always an item for Governors meetings.

Structure, governance and management (continued)

f. Organisational structure

The Board of Governors meets once per term plus the AGM in December, but extra meetings can be called for specific purposes. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of the Board and committees and other groups. It receives reports from its committees and policies for ratification. 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.

There are three sub-committees as follows;

- Resources Committee - this meets three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and approving the annual budget and staffing levels. It also deals with personnel, premises and health and safety matters. Members of this committee are also responsible for approving payments by the finance officer for invoices between £2,000 and £10,000.
- School Improvement Committee - this meets three times a year and is responsible for evaluating and reviewing Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and pastoral issues.
- Data group – this meets twice a year and is responsible for looking in detail at the analysis of the data, identifying the strengths and areas of development for the school and challenging the Head Teacher about actions taken in response to the findings.

The following decisions are referred to the 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 committee members, to appoint the Head Teacher and Clerk to the Governors, to approve the School Development Plan and budget. The Governors are responsible for setting general policy, adopting an annual 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. Governors are responsible for approving payment by the Finance Manager of payments over £10,000.

The Governors and Board of Governors have devolved responsibility for day to day management of the Academy to the Head Teacher and Senior Leadership Team. The Head Teacher is the Accounting Officer.

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

The starting level of pay for newly appointed members of the senior leadership team and the Head Teacher is set (depending of experience etc) within a range as advised by our Human Resources provider, in accordance with School Teachers Pay and Conditions. All increases are approved by the Pay committee (a sub-committee of the Resources Committee) and dependent on the results of appraisal interviews and level of responsibility. The Head Teacher makes recommendations to the Pay Committee who discuss each case. The Head Teacher's pay is set by the Pay Committee and is again dependant on a successful appraisal meeting.

Objectives and activities

a. Objects and aims

Our object, as stated in our Articles of Association is to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Beecroft Academy aims to be a place whereby children who attend are served in a nurturing and value driven manner, in order for every aspect of their potential to be recognised and fulfilled. Our desire is for children (and staff) to be part of a school for which they feel pride and excitement – one which cares for each member much like a family.

Through their time here at Beecroft Academy, we hope that children will learn:

- A set of moral and spiritual values
- A core set of skills, such as reading, writing, mathematics, physical, scientific and artistic
- A hunger to better themselves and persevere
- A high sense of self- esteem and an understanding of their own value as individuals
- A tolerance and respect for all regardless of gender, religion, disability or ethnicity
- To be confident and successful learners

In order for this to be achieved, we at Beecroft Academy strive to offer outstanding and inspirational teaching, through skilled and constantly learning practitioners, who view the children's academic and personal, social, social and moral well- being as the priority.

All the staff endeavour to make Beecroft Academy a safe and secure environment, both with regards to the building and the grounds and also with the systems and the environment in which the children learn.

We also recognise that teamwork and positive partnerships – with individual children, the whole class, colleagues, governors, parents and the wider community are integral to fulfilling our vision and values and we work incredibly hard to ensure that these partnerships are healthy and productive.

At Beecroft Academy, our principles are that the implementation of this vision statement will see children served to the best of the staff's ability and become the best they can possibly be.

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives for the year, as set out in the five year plan were:-

- **To Foster a Positive Attitude (Growth Mindset).** This is continuing to be achieved by:-
  - The school and parents share mutual respect and support, the parents value the school.
  - The school is an integral part of Dunstable and the local community. Among the initiatives school has taken part in this year with the Town Council –the 'Wheelie Fantastic' scheme; also Men in Sheds.
  - Parents are provided with regular information, retrievable via e-mail / internet /school website as well as at face to face meetings.
  - Members of the community make contributions to assembly, PSHE, SMSC, Values.
  - The school develops children who will, in turn, be responsible citizens.

- **To Create a Modern, Vibrant Learning Environment.** This is continuing to be achieved by:-
  - The school at the forefront of ICT and computing developments .
  - All classrooms to be well maintained and comfortable and reviewed and redecorated as part of the maintenance plan.
  - Quality areas for specialist learning and teaching.
  - Spaces for intervention, changing, meetings and staff non-contact time.
  - Classroom and corridor displays reflect classroom practice.
  - Two successful CIF bid: an extension of four new purpose built classrooms and an electrical rewiring project.

- **To Encourage Praise and Achievement both Inside and Outside School.** This is continuing to be achieved by:-
  - All pupils very positive about the school and the school to have an excellent reputation. The school was judged to be 'Good' by Ofsted in May 2018.
  - High quality pastoral care, with all pupils feeling valued, through positive behaviour management.
  - All pupils value the achievement of each other and others in our community including the house system
  - Develop lifelong aspirations in the children via links with former pupils.

- **To Set the Highest Expectations.** This is continuing to be achieved by:-
  - Staff to have the highest expectations of pupil achievement.
  - Our test results to be above National Expectations for progress and attainment.
  - Our Challenge Programme (Extra curricular learning) to be further enhanced.
  - To be at the forefront of educational initiatives and developments, professional development and training.
  - Our teaching, learning, behaviour, safety and leadership to be outstanding.

- **To attain a balanced budget.** This was achieved by:
  - Reviewing relevant contracts.
  - Ensuring the Academy achieves best value at all times.
  - Letting the premises in the evenings and weekend.
  - Putting robust financial processes and procedures in place.
  - Updating the finance manual.

- **To further develop partnership working with other schools.** This was achieved by:
  - Working with HT of local school and the Acorn Alliance.
  - Identifying key priorities.
  - Exploring links with schools further afield.
  - NQT training initiative.

Objectives and activities (continued)

c. Public benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties.

The Academy provides facilities for a variety of community users. As an Academy we have a duty to support other schools. We work closely with other local primary academies and are a strategic partner in the Acorn Teaching School Alliance and Dunstable & Houghton Regis Cluster.

Strategic report

Achievements and performance

a. Key performance indicators

The school has 22% of children entitled to free school meals and 24% of children receiving Pupil Premium funding. Children speaking English as an additional language make up 27% of the school and the SEN count is 23%- with 2.4% having EHCPs.

As statutory assessments were not completed for the 2019/2020, due to the Coronavirus pandemic, academic year, the headlines below refer to the 2018/2019 academic year:

Typically, children enter the Academy in Early Years at a level which is significantly below that of Nationally. By the end of the year 2018/2019, the children achieved a GLD (good level of development) of 64% - an increase of 4% on the previous year, yet still below the national figure of 72%.

The phonics screening check showed that 68% of children were working at or exceeded expected levels. This remains the same as the previous year and was below the national average of 82%. Including the retakes in Year 2 the children achieve 91% pass rate- in line with national average of 91%.

Children make strong progress throughout their time and by the time they leave KS1 they have achieved broadly in line with national average for reading (74%), national (75%), writing (63%), national (69%) and mathematics (68%), national (76%).

Attainment in all three areas in Key Stage 1 have improved over the last 3 years.

At Key Stage 2, the number of children achieving the expected standard was in line (72%) with national (73%) in reading, below (63%) national (78%) in writing and above (82%) national (79%) mathematics. The number of children working above the expected standard was above (35%) the national average (27%) in reading, below (6%) national (20%) in writing and in line (26%) with national (27%) in mathematics.

Attainment in all three areas in Key Stage 2 have improved over the last 3 years.

With regards to progress in Key Stage 2, reading (+0.7) was in line with national, writing (-1.9) was below national and mathematics (+1.1) was in line with national.

Progress in all three area in Key Stage 2 has steadily increased over the last 3 years.

To ensure that standards are improving year on year the Academy operates a programme of target setting, curriculum monitoring and review that feed into the Academy Development Plan.

Strategic report (continued)

Achievements and performance (continued)

The performance of all the children is monitored in great detail and a variety of strategies to support both the academic, social and emotional development of the children are put in place.

The Academy also ensures that there are opportunities to share good practice and receive appropriate CPD matched to the needs of staff and the objectives of the Academy.

b. Going concern

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

Financial review

a. Reserves policy

The Governors have given careful consideration to the level of reserves held by the academy. The academy seeks to maintain its commitment to delivering high quality education at the best value for money, within the funding available from the EFA and other sources.

The budget for the financial year under review was discussed and approved by a meeting of the full governing body on 24 June 2019. The budget forecast predicted an in-year surplus in the region of £98,597. The budgeted surplus is in line with the School Development Plan and is considered necessary in order to provide adequate funds for the future development of the academy trust.

The Finance Manager has put a system in place to ensure that the CIF payments are monitored separately to the reserve funds so that they are used for the agreed project work only.

b. Investment policy

When we are in a position to do so the Finance Manager will begin discussions with the Academy Bank Manager regarding cash flow and investment opportunities and will make recommendations to Governors on investment proposals.

c. Principal risks and uncertainties

The Governors continue to monitor the risks and uncertainties within the academy and have prepared/maintained the risk register which was presented to the full board of Governors on 12 March 2018 and will be reviewed at the AGM on 14 December 2020.

The most significant risks identified at the current time are:

a) the continued pressure to maintain teaching standards and pupil achievement within the constraints of the current funding formula
b) the need to recruit and retain staff with appropriate skills to deliver high quality education, management and development of the academy in line with the School Development Plan
c) the financial risks associated with fluctuations in pupil numbers, accommodating an expanding number of pupils in the local area while recognising a potential vulnerability with increased parental choice
d) the financial cost of long-term staff absence
e) the development of the academy trust in line with changes in Central and Local Government policies
f) the uncertainties around income and expenditure due to the Covid virus which has an impact on the school whilst it continues to ensure virus control measures are in place. For example, increased expenses through ppe, cleaning and hygiene resources; a loss of income through lettings and after school clubs being cancelled and Buzz Bees having to reduce the number of children it can accommodate by ensuring the system of bubbles is in place.

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. In addition to our AWPU we receive deprivation , prior attainment, pupil premium, sports premium, universal free school meals, SEN, teacher's pension and pay grants. The grants received from the DfE during the 12 months ended 31 August 2020 and the associated expenditure is shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2020, total expenditure was more than covered by recurrent grant funding from the DfE together with other incoming resources.

Fundraising

The school organises fundraising for charities (e.g. Jeans for Genes, MacMillan, Children in Need etc). We then split the funds between whichever charity and our PTA. The PTA often support these events - e.g. providing manpower. The PTA raises funds directly for the school - e.g. adventure play equipment, items for specific subjects etc. The PTA reports to the governing body and events are publicised on the school newsletter. The restrictions imposed by Coronavirus have mean t that the PTA has not had any involvement with fund raising activates since March. The PTA accounts are audited annually. Complaints about fundraising can be made directly to the PTA though a variety of means as advertised on the Academy website. If complaints are not resolved they can be taken to the Head Teacher and then to the Governors.

Plans for future periods

- The Academy will continue striving to provide quality education and improve the levels of performance of its children at all levels
- To ensure that the school operates in a 'Covid secure way, in line with Government guidelines
- To continue to develop the quality of leadership and management across the school.
- To develop the school's curriculum, in line WITH changes to Ofsted's Education Inspection Framework (EIF)
- To ensure all learning consolidates and challenges pupils understanding, skills and knowledge.
- To continue to promote excellent behaviour and safety and to improve attendance.
- To use Covid-19 catch-up funding effectively to ensure that all children benefit and are supported in closing potential gaps that occurred as a result of the school closures
- To maximise the use of all buildings & grounds to provide safe and exciting learning experiences
- To develop a learning environment linked to extended services, in partnership with the alliance schools & the local community
- For the CIF work to be completed- four new purpose built classrooms and an electrical re-wiring project
- To sustain the levels of progress of all pupils

Funds held as custodian on behalf of others

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

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 14/12/20 and signed on its behalf by:

M. G Fowler
....
M G Fowler
Chair of Governors

GOVERNANCE STATEMENT

Scope of responsibility

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

The 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 Beecroft Academy 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. The board of Governors has formally met 5 times during the year. One of these meetings was an extraordinary meeting to approve the arrangements for the re-opening of the school during the Corona Virus pandemic. Two of these meetings were held via Zoom.

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

Governor	Meetings attended	Out of a possible
H Bell	3	5
J Martin	5	5
D Watson, Staff Governor	5	5
M G Fowler, Chair	4	5
V Reavey, Staff Governor	5	5
D Hughes	0	0
S Dutnall	4	5
M Boyle, Vice Chair	4	5
M Hart, Staff Governor	1	1
T Davis	3	3
N Hackett, Head Teacher (from 1 September 2019)	5	5
L Salan	3	5
S Hughes	5	5
S Brennan	3	5
A Santos	3	3

The year in question has been a challenging one for the Academy. The Deputy Head Teacher, Mr Nick Hackett, was appointed Head Teacher and Accounting Officer. He took up the post on 1 September 2019. Mrs Sarah Hughes became the new Deputy Head Teacher on the same date and became a staff governor on the Board. Mrs Maureen Phillips, the Finance Officer, retired on 31 December 2019 and the post was filled by Mrs Emma Taylor.

During the year two Governors resigned and two Governors were appointed. Prior to the difficulties caused by Covid attendance at all meetings was good. At each meeting training had been planned for the board. In addition to a tour of the school it was planned there would be presentations on the Curriculum, assessment and marking and feedback; the wider curriculum was also a planned focus looking specifically at clubs, forest school, finance education and residentials and trips. Governors have always found these insights very useful and appreciate the time and effort given by the staff in preparing them unfortunately these visits were curtailed by the restrictions imposed by Covid.

Governance (continued)

During the Covid lockdown Governors were kept well informed of all the staff were doing through regular newsletters, signposting to assemblies and home learning which could be accessed on line by pupils. The Governors were also informed of the actions taken to support vulnerable children and families, including the sharing of resources between three schools when the number of children attending fell. As pupils returned to school, Governors approved the risk assessments and judged them to be in line with the Covid regulations. Prior to the building reopening Governors with responsibilities for Health and Safety toured the building and reported that actions had been taken to conform with the risk assessment. During this time Governors meetings were held via Zoom. We were able to hold a meeting of all governors and also a pay and staffing committee meeting. The meetings gave opportunity for the Head Teacher to give a full report and for the Governors to question him. During the pay and staffing committee the support of some members of staff who had given over and above what was expected was recognised.

Pre Covid the main challenge for the board has been to ensure we gave the new Head Teacher, new Deputy and in January a new Finance Manager the support they needed. Mr Hackett found the lack of support from external bodies to a new head teacher quite difficult, although he felt well supported by the deputy and the school staff.

The challenge posed by the Covid pandemic was out of the experience of everyone. This was not helped by information given out by government being late (e.g. Governors had to approve a risk assessments where all areas could not be completed through lack of guidance) As well as health and safety issues the school also had to provide home learning for pupils who were not attending and support for vulnerable children and families. Throughout this challenging time the Head Teacher and all the staff performed exceptionally well, and staff and children felt safe in school. This resulted in attendance at school being above national average.

The School Improvement Officer noted that Nick had had a 'very interesting first year' and that the school performed exceptionally well during lockdown and the educational offer for pupils continued to ensure the pupils remained engaged and enjoy their learning. Pupils attendance during lockdown remained high. Nick should be proud of all that he has achieved in his first year of Headship.

Governance reviews:

- The Board regularly reviews its effectiveness. All governors sit on at least one committee. The committees look in detail at the work of the academy and ask challenging questions, which are recorded in the minutes. Actions to be taken have been pinpointed and are recorded in the Action Log which is reviewed at each meeting.
- Governors also have individual areas of responsibility which they monitor and report to the head teacher and the Board.
- Governors have undertaken regular visits to the Academy and their findings have been reported to the Board of Governors and put on the Academy website. This has not been possible during the latter part of the year due to Coronavirus, but the governors are currently seeking ways in which they can exercise teir responsibilities.
- Governors have undertaken a variety of training: - in-house, online and provided by the LA.
- Governors will undertake a skills audit to reflect the current skill set of the governors.

The Resources Committee is a sub-committee of the main board of govenors. Its purpose is to be responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and approving the annual budget and staffing levels. It also deals with personnel, premises and health and safety matters. Members of this committee are also responsible for approving payments by the finance manager for invoices between £2,000 and £10,000.

Governance (continued)

The main items for discussion have been the monitoring of income and expenditure against budget, approving the budget and reviewing the accounts. The reports of the Responsible Officer have been accepted. The approvals of grant applications for improvements to the building and expenditure on resources to improve the attainment of pupils have been agenda items. The committee members have visited the site to gain a clearer insight into works to be carried out. The site agent has given updates on his work and the head teacher's report has included staffing issues which involve finance. The pay committee (non-staff members of the resources committee) agreed the salary levels for the head teacher and teaching staff for the next year and awarded some honorariums.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
M Boyle	2	2
M G Fowler	1	2
V Reavey	2	2
S Dutnall	2	2
N Hackett	2	2
L Salan	2	2
J Martin	1	2
M Phillips	1	1
E Taylor	1	1
S Hughes	1	2
T Davis	2	2

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:

- deploying staff in the most appropriate way to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio and curriculum management;
- deploying equipment, materials and services to provide pupils and staff with resources which support quality of teaching and learning;
- working with the govenors to develop procedures for assessing need, and obtaining goods and services which provide 'best value' in terms of suitability, efficiency, time and cost.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 in Beecroft Academy 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Governors has decided not to appoint an internal auditor. However, the Governors have appointed Maureen Phillips as Responsible Officer to carry out a programme of internal checks from January 2020.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations

On a quarterly basis, the reviewer reports to the board of Governors through the Resources committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

This is in accordance with the timetable of review the govenors agreed that the Responsible Officer should adhere to.

GOVERNANCE STATEMENT (CONTINUED)

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:

- on discharge of the Board of Governors financial decisions to help the committee consider actions and assess year on year progress
- the work of the responsible officer;;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources committee and a plan to ensure continuous improvement of the system is in place.

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

M. G. Fowler

M G Fowler
Chair of Governors

Date: 14/12/20

N Hackett
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Beecroft Academy I have considered my responsibility to notify the Academy Trust 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 Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

....

N Hackett
Accounting Officer

Date: 14·12·2020.

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 . 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 and signed on its behalf by:

M. G. Fowler
....
M G Fowler
Chair of Governors

Date: 14/12/20

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BEECROFT ACADEMY

Opinion

We have audited the financial statements of Beecroft Academy (the 'academy trust') 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 Trust'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 Trust 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 Trust'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 BEECROFT ACADEMY (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 Trust 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 BEECROFT ACADEMY (CONTINUED)

Responsibilities of trustees

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the Academy Trust 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 Trust'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 Trust 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.

Other matters

Only partial disclosure has been made in respect of Governors' remuneration (note 10).

Use of our report

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BEECROFT ACADEMY (CONTINUED)

Jonathan Day (Senior Statutory Auditor)
for and on behalf of
Streets Audit LLP ,
Chartered Accountants
Statutory Auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 29 January 2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEECROFT ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 5 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beecroft Academy 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 Beecroft Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beecroft Academy 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 Beecroft Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Beecroft Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Beecroft Academy's funding agreement with the Secretary of State for Education dated 1 November 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 Trust's income and expenditure.

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the Finance Team.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEECROFT ACADEMY 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.

Jonathan Day (Senior Statutory Auditor)
Streets Audit LLP
Chartered Accountants
Statutory Auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 29 January 2021

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	-	-	956,127	956,127	*(10,849)*
Charitable activities		27,228	2,009,080	-	2,036,308	*2,217,846*
Other trading activities		5,837	-	-	5,837	*6,905*
Total income		33,065	2,009,080	956,127	2,998,272	*2,213,902*
Expenditure on:						
Charitable activities		31,760	1,982,455	76,615	2,090,830	*2,362,135*
Total expenditure		31,760	1,982,455	76,615	2,090,830	*2,362,135*
Net income		1,305	26,625	879,512	907,442	*(148,233)*
Transfers between funds	17	271	(7,985)	7,714	-	*-*
Net movement in funds before other recognised gains/(losses)		1,576	18,640	887,226	907,442	*(148,233)*
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(366,000)	-	(366,000)	*(209,000)*
Net movement in funds		1,576	(347,360)	887,226	541,442	*(357,233)*
Reconciliation of funds:						
Total funds brought forward		72,278	(420,177)	1,755,759	1,407,860	*1,765,093*
Net movement in funds		1,576	(347,360)	887,226	541,442	*(357,233)*
Total funds carried forward		73,854	(767,537)	2,642,985	1,949,302	*1,407,860*

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

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

The notes on pages 30 to 56 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	12		**1,722,384**		*1,732,617*
			1,722,384		*1,732,617*
Current assets					
Stocks	13	**3,145**		*6,178*	
Debtors	14	**994,290**		*85,737*	
Cash at bank and in hand		**596,035**		*526,031*	
		1,593,470		*617,946*	
Creditors: amounts falling due within one year	15	**(113,891)**		*(161,524)*	
Net current assets			**1,479,579**		*456,422*
Total assets less current liabilities			**3,201,963**		*2,189,039*
Creditors: amounts falling due after more than one year	16		**(13,661)**		*(19,179)*
Net assets excluding pension liability			**3,188,302**		*2,169,860*
Defined benefit pension scheme liability	25		**(1,239,000)**		*(762,000)*
Total net assets			**1,949,302**		*1,407,860*
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	17	**2,642,985**		*1,755,759*	
Restricted income funds	17	**471,463**		*341,823*	
Restricted funds excluding pension asset	17	**3,114,448**		*2,097,582*	
Pension reserve	17	**(1,239,000)**		*(762,000)*	
Total restricted funds	17		**1,875,448**		*1,335,582*
Unrestricted income funds	17		**73,854**		*72,278*
Total funds			**1,949,302**		*1,407,860*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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

The financial statements on pages 25 to 56 were approved and authorised for issue by the Governors and are signed on their behalf, by:

M. G. Fowler
....
M G Fowler
Chair of Governors

....
N Hackett
Accounting Officer

Date: 14/12/20

The notes on pages 30 to 56 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/(used in) operating activities	19	**112,119**	*(81,700)*
Cash flows from investing activities	21	**(42,115)**	*(46,877)*
Cash flows from financing activities	20	**-**	*35,000*
Change in cash and cash equivalents in the year		**70,004**	*(93,577)*
Cash and cash equivalents at the beginning of the year		**526,031**	*619,608*
Cash and cash equivalents at the end of the year	22, 23	**596,035**	*526,031*

The notes on pages 30 to 56 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 Trust, 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.

1.2 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% per annum straight line
Furniture and equipment	- 20% per annum straight line
Plant and machinery	- 20% per annum straight line

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

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1. Accounting policies (continued)

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust'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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 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 Trust's wholly owned subsidiary are held at face value less any impairment.

1.11 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)

1.12 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

1.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

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 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Donations	-	-	-	*643*
Capital Grants	-	956,127	**956,127**	*23,508*
Grants	-	-	-	*(35,000)*
	-	956,127	**956,127**	*(10,849)*
Total 2019	*(34,357)*	*23,508*	*(10,849)*	

4. Funding for the Academy Trust's academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,604,105	**1,604,105**	*1,562,174*
Other DfE / ESFA grants	-	289,001	**289,001**	*235,159*
	-	1,893,106	**1,893,106**	*1,797,333*
Other government grants				
Local authority grants	-	87,748	**87,748**	*67,211*
Children centre - Local authority grants	-	-	**-**	*223,055*
	-	87,748	**87,748**	*290,266*
Other income				
Other income	-	5,230	**5,230**	*59,814*
Children centre - private funding	-	41	**41**	*2,407*
Shop income	-	4,592	**4,592**	*3,823*
Before/After school clubs	-	18,363	**18,363**	*35,988*
School trips	27,228	-	**27,228**	*28,215*
	27,228	28,226	**55,454**	*130,247*
	27,228	2,009,080	**2,036,308**	*2,217,846*
Total 2019	*28,215*	*2,189,631*	*2,217,846*	

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Hire of facilities	5,837	**5,837**	*6,905*
Total 2019	*6,905*	*6,905*	

6. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	*Total 2019 £*
Academy's educational operations:					
Direct costs	1,345,885	-	108,387	**1,454,272**	*1,330,447*
Allocated support costs	324,042	93,464	215,924	**633,430**	*754,142*
Children centre:					
Direct costs	-	-	-	-	*189,266*
Allocated support costs	-	1,154	(26)	**1,128**	*88,280*
	1,669,927	94,618	324,285	**2,088,830**	*2,362,135*
Total 2019	*1,724,390*	*222,189*	*415,556*	*2,362,135*	

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Academy's educational operations	1,454,272	633,430	**2,087,702**	*2,084,589*
Children centre	-	1,128	**1,128**	*277,546*
	1,454,272	634,558	**2,088,830**	*2,362,135*
Total 2019	*1,519,713*	*842,422*	*2,362,135*	

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations 2020 £	Children centre 2020 £	Total funds 2020 £	*Total funds 2019 £*
Staff costs	1,345,885	-	**1,345,885**	*1,387,956*
Educational supplies	66,390	-	**66,390**	*94,011*
Staff development	10,237	-	**10,237**	*10,446*
Other costs	31,760	-	**31,760**	*27,300*
	1,454,272	-	**1,454,272**	*1,519,713*
Total 2019	*1,330,447*	*189,266*	*1,519,713*	

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's educational operations 2020 £	Children centre 2020 £	Total funds 2020 £	*Total funds 2019 £*
Pension finance costs	11,000	-	**11,000**	*11,000*
Staff costs	324,042	-	**324,042**	*336,434*
Depreciation	52,348	-	**52,348**	*53,197*
Staff development	1,821	-	**1,821**	*2,488*
Repairs and maintenance	37,082	1,154	**38,236**	*122,897*
Cleaning	355	-	**355**	*3,527*
Rent and rates	8,622	-	**8,622**	*11,491*
Heat and light	23,493	-	**23,493**	*24,669*
Insurance	22,669	-	**22,669**	*22,787*
Other support costs	26,216	(26)	**26,190**	*69,460*
Technology costs	32,585	-	**32,585**	*25,052*
Catering	60,580	-	**60,580**	*88,288*
CIF expenditure	24,267	-	**24,267**	*63,132*
Governance costs	8,350	-	**8,350**	*8,000*
	633,430	1,128	**634,558**	*842,422*
Total 2019	*754,142*	*88,280*	*842,422*	

8. Net income

Net income for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	52,348	53,197
Fees paid to auditor for:		
- audit	6,350	6,000
- other services	2,000	2,000

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,202,293	1,266,304
Social security costs	95,165	97,088
Pension costs	342,427	302,942
	1,639,885	1,666,334
Supply teacher costs - agency costs	30,042	46,382
Supply teacher costs - through payroll	-	11,674
	1,669,927	1,724,390

b. Staff numbers

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

	2020 No.	2019 No.
Management	5	6
Teaching staff	20	23
Administration and support	35	41
	60	70

9. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020 No.	*2019 No.*
Management	**3**	*6*
Teaching staff	**16**	*16*
Administration and support	**27**	*29*
	46	*51*

c. Higher paid staff

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

	2020 No.	*2019 No.*
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	*1*

d. Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £306,848 *(2019 £270,389).*

10. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. 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
		£	£
Head Teacher	Remuneration	**60,000 - 65,000**	*70,000 - 75,000*
	Pension contributions paid	**10,000 - 15,000**	*10,000 - 15,000*
Staff Governors	Remuneration	**110,000 - 115,000**	*110,000 - 115,000*
	Pension contributions paid	**20,000 - 25,000**	*15,000 - 20,000*

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

11. Governors' and Officers' insurance

The Academy Trust has opted into the Department of 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 membership.

12. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2019	1,861,349	66,097	51,038	1,978,484
Additions	-	42,115	-	42,115
At 31 August 2020	1,861,349	108,212	51,038	2,020,599
Depreciation				
At 1 September 2019	194,100	20,208	31,559	245,867
Charge for the year	37,227	12,364	2,757	52,348
At 31 August 2020	231,327	32,572	34,316	298,215
Net book value				
At 31 August 2020	1,630,022	75,640	16,722	1,722,384
At 31 August 2019	*1,667,249*	*45,889*	*19,479*	*1,732,617*

13. Stocks

	2020 £	*2019 £*
Finished goods and goods for resale	3,145	*6,178*

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	**3,991**	*298*
Other debtors	**21,162**	*35,582*
Prepayments and accrued income	**969,137**	*49,857*
	994,290	*85,737*

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	**5,480**	*5,480*
Trade creditors	**51,712**	*12,999*
Other taxation and social security	**8,416**	*8,416*
Other creditors	**831**	*35,831*
Accruals and deferred income	**47,452**	*98,798*
	113,891	*161,524*

	2020 £	2019 £
Deferred income at 1 September 2019	**34,835**	*63,275*
Resources deferred during the year	**29,773**	*34,835*
Amounts released from previous periods	**(34,835)**	*(63,275)*
	29,773	*34,835*

Deferred income brought forward totalled £34,835, which was fully released in the year. The deferred income at the 31 August 2020 was rates relief £nil (2019: £2,460) and UIFSM £26,065 (2019: £32,375).

16. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	**13,661**	*19,179*

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
School trips	4,261	27,228	(31,760)	271	-	-
General funds						
General funds - School Activities	46,083	5,837	-	-	-	51,920
General funds - Children Centre	21,934	-	-	-	-	21,934
	68,017	5,837	-	-	-	73,854
Total Unrestricted funds	72,278	33,065	(31,760)	271	-	73,854
Restricted general funds						
General Annual Grant (GAG)	244,128	1,604,105	(1,465,392)	(7,985)	-	374,856
Other ESFA Grants	-	289,001	(289,001)	-	-	-
Local Authority	-	87,748	(87,748)	-	-	-
Childrens Centre - Local Authority	97,695	41	(1,129)	-	-	96,607
Shop	-	4,592	(4,592)	-	-	-
Before/After School Clubs	-	18,363	(18,363)	-	-	-
Other Income	-	5,230	(5,230)	-	-	-
Pension reserve	(762,000)	-	(111,000)	-	(366,000)	(1,239,000)
	(420,177)	2,009,080	(1,982,455)	(7,985)	(366,000)	(767,537)

17. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Tangible Fixed Assets	1,732,617	-	(52,348)	42,115	-	1,722,384
Devolved Formula Capital	23,142	8,590	-	(31,451)	-	281
CIF Grants - Fire Safety	-	358,162	(9,173)	(1,475)	-	347,514
CIF Grants - External Works	-	589,375	(15,094)	(1,475)	-	572,806
	1,755,759	956,127	(76,615)	7,714	-	2,642,985
Total Restricted funds	1,335,582	2,965,207	(2,059,070)	(271)	(366,000)	1,875,448
Total funds	1,407,860	2,998,272	(2,090,830)	-	(366,000)	1,949,302

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

Designated Funds:
The Academy maintains a separate fund, within its bank account, which includes income and expenditure relating to school trips.

General Funds:
The Academy's general funds include the local authority settlement and represents income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these funds for any purpose.

Restricted Funds:
The Academy received a number of grants during the period for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Start Up Grant and Pupil Premium. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy.

Pension Reserve - As stated in note 21 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to Beecroft Academy can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

17. Statement of funds (continued)

Restricted Fixed Assets Funds:
The Academy received Capital Formula funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Assets reserve.

The Academy received funds totalling £358,162 and £589,375 in the year relating to the ESFA's Conditions Improvement Fund for fire safety and external building works. Funds to be utilised carried forward total £347,514 and £572,806 respectively.

Under the funding agreement with the Secretary of State, the Academy Trust 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						
Designated funds						
School trips	3,346	28,215	(27,300)	-	-	4,261
General funds						
General funds - School Activities	39,178	6,905	-	-	-	46,083
General funds - Children Centre	21,934	-	-	-	-	21,934
	61,112	6,905	-	-	-	68,017
Total Unrestricted funds	64,458	35,120	(27,300)	-	-	72,278
Restricted general funds						
General Annual Grant (GAG)	157,149	1,527,174	(1,399,022)	(41,173)	-	244,128
Other ESFA Grants	-	235,159	(235,159)	-	-	-
Local Authority	-	67,211	(67,211)	-	-	-
Childrens Centre - Local Authority	178,079	223,055	(303,439)	-	-	97,695
Shop	-	3,823	(3,823)	-	-	-
Before/After School Clubs	-	35,988	(35,988)	-	-	-
Childrens Centre - Private Funding	-	2,407	(2,407)	-	-	-
Donations	-	643	(643)	-	-	-
Other Income	-	59,814	(59,814)	-	-	-
Pension reserve	(442,000)	-	(111,000)	-	(209,000)	(762,000)

17. Statement of funds (continued)

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2019* £
	(106,772)	2,155,274	(2,218,506)	*(41,173)*	*(209,000)*	*(420,177)*
Restricted fixed asset funds						
Tangible Fixed Assets	*1,738,937*	-	*(53,197)*	*46,877*	-	*1,732,617*
Devolved Formula Capital	*7,608*	*23,508*	-	*(7,974)*	-	*23,142*
CIF Grants - Boiler Project and Roof Works	*60,862*	-	*(63,132)*	*2,270*	-	-
	1,807,407	23,508	(116,329)	*41,173*	-	*1,755,759*
Total Restricted funds	*1,700,635*	*2,178,782*	*(2,334,835)*	-	*(209,000)*	*1,335,582*
Total funds	*1,765,093*	*2,213,902*	*(2,362,135)*	-	*(209,000)*	*1,407,860*

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	-	-	1,722,384	**1,722,384**
Current assets	73,854	579,874	939,742	**1,593,470**
Creditors due within one year	-	(108,411)	(5,480)	**(113,891)**
Creditors due in more than one year	-	-	(13,661)	**(13,661)**
Provisions for liabilities and charges	-	(1,239,000)	-	**(1,239,000)**
Total	73,854	(767,537)	2,642,985	**1,949,302**

18. Analysis of net assets between funds (continued)

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	-	-	1,732,617	*1,732,617*
Current assets	107,278	487,526	23,142	*617,946*
Creditors due within one year	(15,821)	(145,703)	-	*(161,524)*
Creditors due in more than one year	(19,179)	-	-	*(19,179)*
Provisions for liabilities and charges	-	(762,000)	-	*(762,000)*
Total	72,278	(420,177)	1,755,759	*1,407,860*

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	*2019 £*
Net income/(expenditure) for the period (as per Statement of Financial Activities)	**907,442**	*(148,233)*
Adjustments for:		
Depreciation	**52,348**	*53,197*
Defined benefit pension scheme cost less contributions payable	**98,000**	*100,000*
Defined benefit pension scheme finance cost	**13,000**	*11,000*
Decrease/(increase) in stocks	**3,033**	*(371)*
(Increase)/decrease in debtors	**(908,553)**	*305,638*
Decrease in creditors	**(53,151)**	*(402,931)*
Net cash provided by/(used in) operating activities	**112,119**	*(81,700)*

20. Cash flows from financing activities

	2020 £	*2019* *£*
Cash inflows from new borrowing	-	*35,000*
Net cash provided by financing activities	-	*35,000*

21. Cash flows from investing activities

	2020 £	*2019* *£*
Purchase of tangible fixed assets	(42,115)	*(46,877)*
Net cash used in investing activities	(42,115)	*(46,877)*

22. Analysis of cash and cash equivalents

	2020 £	*2019* *£*
Cash in hand	596,035	*526,031*
Total cash and cash equivalents	596,035	*526,031*

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	526,031	70,004	596,035
Debt due within 1 year	(5,480)	-	(5,480)
Debt due after 1 year	(19,179)	5,518	(13,661)
	501,372	75,522	576,894

24. Contingent liabilities

On 31 August 2019 the Academy handed back the management of the Children's Centre to the local council. There will be a requirement for any underspend in respect of the Children's Centre to be returned to the Local Authority however this has not yet been quantified.

25. Pension commitments

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

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

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

Teachers' Pension Scheme

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

25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £162,191 *(2019 - £111,640)*.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £103,000 *(2019 - £120,000)*, of which employer's contributions totalled £79,000 *(2019 - £90,000)* and employees' contributions totalled £ 24,000 *(2019 - £30,000)*. The agreed contribution rates for future years are 19.2 per cent for employers and varying per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

Principal actuarial assumptions

	2020	*2019*
	%	*%*
Rate of increase in salaries	**3.25**	*2.5*
Rate of increase for pensions in payment/inflation	**2.25**	*2.2*
Discount rate for scheme liabilities	**1.6**	*1.9*

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	**22.2**	*20.7*
Females	**24.3**	*23.2*
Retiring in 20 years		
Males	**23.4**	*21.7*
Females	**26.1**	*24.7*

25. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate -0.1%	(67,000)	(44,000)
Mortality assumption - 1 year increase	84,000	60,000
CPI rate +0.1%	63,000	39,000

Share of scheme assets

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

	2020 £	2019 £
Equities	922,000	719,000
Corporate bonds	219,000	162,000
Property	129,000	98,000
Cash and other liquid assets	82,000	48,000
Total market value of assets	1,352,000	1,027,000

The actual return on scheme assets was £59,000 *(2019 - £27,000).*

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

	2020 £	2019 £
Current service cost	(177,000)	(182,000)
Past service cost	-	(8,000)
Interest income	19,000	27,000
Interest cost	(32,000)	(38,000)
Total amount recognised in the Statement of Financial Activities	(190,000)	(201,000)

25. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	**1,789,000**	*1,344,000*
Current service cost	**177,000**	*182,000*
Interest cost	**32,000**	*38,000*
Employee contributions	**24,000**	*30,000*
Actuarial losses	**722,000**	*208,000*
Benefits paid	**(192,000)**	*(21,000)*
Past service costs	**-**	*8,000*
At 31 August	**2,552,000**	*1,789,000*

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

	2020 £	2019 £
At 1 September	**1,027,000**	*902,000*
Expected return on assets	**40,000**	*-*
Interest income	**19,000**	*27,000*
Actuarial gains/(losses)	**356,000**	*(1,000)*
Employer contributions	**79,000**	*90,000*
Employee contributions	**24,000**	*30,000*
Benefits paid	**(192,000)**	*(21,000)*
At 31 August	**1,353,000**	*1,027,000*

26. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	**5,402**	*19,054*
Later than 1 year and not later than 5 years	**2,032**	*6,418*
	7,434	*25,472*

27. Members' liability

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

28. Related party transactions

Owing to the nature of the Academy Trust 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.