

Report of the Directors and
Financial Statements
for the Year Ended 31 August 2021
for
Fairfield High School

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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for the Year Ended 31 August 2023

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Fairfield High School

Reference and Administrative Details
for the Year Ended 31 August 2021

MEMBERS	Mr J M Swift Mr S Vaughan Winter Mrs P S James Mrs J V Archer Mr P Cramsie (Appointed 7.7.21)
DIRECTORS	Mrs J V Archer Chair of Directors Mrs P S James (resigned 23.9.20) Mr B Eacock Mr J T Edwards (resigned 31.8.21) Mrs S Gaston Headteacher/Accounting Officer Dr H Probert Vice-chair of Directors Mr S Purse (resigned 31.8.21) Mr G W Holland (appointed 7.7.21) (resigned 13.9.21) Mrs N Thompson (Appointed 9.12.20) Mrs B Walsh (Appointed 9.12.20)
ASSOCIATE DIRECTORS	Mrs P Hart Mrs C Ford
SENIOR LEADERSHIP TEAM	S Gaston Headteacher J Conway Deputy Headteacher D Kelly Deputy Headteacher A Gallagher SMDCo (retired Dec 2020) O Lloyd Assistant Headteacher E Worfield Assistant Headteacher N Emmett Director of Finance P Hart Senior Learning Manager
COMPANY NAME	Fairfield High School
REGISTERED OFFICE	Peterchurch Hereford Herefordshire HR2 0SG
REGISTERED COMPANY NUMBER	08936254 (England and Wales)
SENIOR STATUTORY AUDITOR	Mr K M Tong FCCA, ACA
AUDITORS	Thorne Wigney Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7ES
SOLICITORS	Lanyon Bowdler Broadway House 32 - 35 Broad Street Hereford HR4 9AB

BANKERS

Lloyds Bank PLC
8 High Town
Hereford
HR4 7SS

Santander
Griffe Road
Bootle
Merseyside
L30 4RG

The directors present their report with the financial statements of the academy trust for the year ended 31 August 2021. The directors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The academy operates an academy for students aged 11 to 16 serving a catchment area in West Herefordshire. It has a student capacity 400 and had a roll of 534 in the school census October 2020. A significant change variation was agreed by the DfE in December 2020 to raise the PAN to 600 on a rolling programme of 120 per year group.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The academy trust's objective is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Our aim:

A relentless focus on teaching, learning and wellbeing to develop confident, successful learners who have a wide knowledge base, skills and strategies to support themselves in both their school and personal lives.

We will:

- Promote high aspirations for all and empower students and staff to reach their goals
- Ensure challenge and support for learning, including via blended or remote learning
- Develop and consolidate our Creative and Critical Thinking skills to sustain emotional, social and academic growth
- Prioritise and support all aspects of staff and student wellbeing in a safe, happy and caring environment which values everyone equally and encourages respect, tolerance and diversity

Fairfield High School

Report of the Directors for the Year Ended 31 August 2021

OBJECTIVES AND ACTIVITIES

Objectives, strategies and activities

Fairfield High School is a rural mixed 11-18 comprehensive school serving the Golden Valley and beyond. Just over half of the students currently attending the school come from out of catchment, with 90% + students travelling in by bus or car.

Fairfield prides itself on meeting the needs of individual students and has a commitment to excellence - each child achieving their personal best. The school was judged Outstanding by Ofsted in 2006, in 2009, and in October 2013, when it was judged outstanding in every category. It was recognised by the DfE as being in the top 100 non-selective state schools in England based on progress and attainment measures in 2013, 2014 and 2015. In 2018, the school exceeded its FFT 20 and FFT 5 targets to achieve a Progress 8 score of 0.7, the best mainstream state school attainment and progress in Herefordshire. 2019 data maintained our position in the top two state schools in the county with a rising trend across all the headline data in spite of only 85% KS2 coverage due to our proximity to the Welsh border. Covid affected publication of results in 2020 and 2021, but the 2021 results for what was an exceptional cohort (identified in Year 7) showed Progress 8 data of more than 1 grade when measured against similar students across the country.

The school's unique atmosphere stems from a deeply rooted philosophy of inclusion and a sense of belonging, to the school, the community and the countryside. This is clearly illustrated by our free-range chickens, our rare breed sheep, goats, pigs, alpacas and reptiles, rabbits and guinea pigs. All contribute directly to the curriculum and indirectly to promoting care, empathy and responsibility towards our community and our surroundings.

Students:

At Fairfield there are currently 552 students on roll, far exceeding the capacity of the buildings. The PAN was increased from 450 to 400 to allow us to make an expansion CIP bid but bears little resemblance to the realities of the site and facilities. We have between 98 and 126 students in each year group. We have 25% of students on the SEND register (140 students) and 3.2% EHCP students (18 students). 7 students are Looked After and 6 have Special Guardianship Orders. The vast majority of students are White British and only 9 (1.6%) are EAL students. At Fairfield there is a below national average number of students eligible for FSM, with 9.4% (52 students), although Herefordshire's low average weekly wage due to the rural nature of the county means that many students live in families with income only just above the threshold. The south Golden Valley where Fairfield is shows it as 98th most deprived area (from 116) within Herefordshire. (2019 data)

Staffing:

Fairfield has 36 teaching staff; 24 are full time and 12 are part time (equivalent to 7.7 full time teachers). The SENCO works part time on a 0.7 contract and supports one of our partner primaries. We have 10 full and part time learning assistants; 2 subject based technicians and 3 learning managers. The site and office staff include a full time site manager, a part time assistant caretaker, 5 cleaning staff and 8 office based staff who are a mixture of full and part time workers.

Curriculum and opportunities:

We provide academic excellence through a broad and balanced curriculum. The core curriculum is made up of English, Mathematics, Science, PE and Ethics. In KS4, most students in Year 10 are entered for Short Course Religious Studies. In KS3 and KS4 all students study Ethics, which integrates RE, RSE, Careers and Citizenship. In addition to the core subjects, KS4 students choose from a range of 14 subjects in four option blocks designed to engage students with different levels of academic ability and hold their interest; there are no fixed pathways. EBacc subjects, Foundation subjects and Triple Science sit alongside vocational qualifications in Sport, Construction, Media, Children's Play, Learning and Development, Performing Arts and Animal Care.

KS3 follow a broad and wide inclusive curriculum comprising the full suite of national curriculum subjects together with Drama for all KS3 students. In addition, Year 7 have a weekly enrichment lesson that includes Life Skills (First Aid, Team Building, Drama, Cookery, Finance matters) and Animal Care is taught fortnightly in Year 8. We recognize the critical importance of literacy and particularly reading in being able to access the whole curriculum.

OBJECTIVES AND ACTIVITIES

The curriculum and timetable are reviewed annually to ensure that they meet the needs of students and the learning profiles of each individual cohort and focused accordingly to deliver a curriculum which best meets the needs of each year group and our aspirations for them. This means that we retain the breadth for every student (including SEND) but can make choices about exam syllabi which will engage more effectively (eg swapping Drama for Performing Arts) or which enable students to incrementally progress (eg BTEC subjects).

Public benefit

Fairfield has been judged Outstanding by Ofsted in all categories in successive inspections in 2006, 2009 and 2013. Its aims are to offer a broad and balanced curriculum to enable every young person to achieve academically, physically and socially - "empowering everyone to achieve their personal best". The School Development Plan is focused on the main Ofsted areas: Quality of Education; Personal development, Behaviour and Attitudes; Leadership & Management. Each area has a number of focused school improvement priorities, which are delivered at a whole-school level and then in more detail at a Faculty / subject level. The SDP and Faculty Development Plans inform staff performance management priorities and targets, ensuring that all members of staff, at every level, are part of the school's drive for continuous improvement.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The school has had a rising roll for the past 10 years; 534 students as at October 2020. The school has limited capacity to admit many more students without significant building work to increase capacity. The school has plans for new classrooms to address this issue which are supported by the parish and county council but funding has yet to be secured. The school is significantly over subscribed every year and tries wherever possible to meet parental preferences. For September 2020, 4 parents appealed the decision not to allocate a place and were all successful in being admitted.

The Ofsted report from October 2013 gave a detailed analysis of the school's strengths in every area.

Fundraising activities

The school has a small but active PTA, which raises limited funds for transport to events etc. Other income largely arises from the school support work undertaken by the Head Teacher: a SLA with a small primary school and finance support to a small secondary school delivered by the Finance Director. Teaching School status ended on 31st August 2021.

Key financial performance indicators

These are covered throughout this report.

STRATEGIC REPORT

Financial review

Financial position

The directors have been mindful of the requirements of the Academies Financial Handbook 2020 and the Academies Accounts Direction 2020 to 2021 when preparing this report and financial statements.

The major element of funding for the academic year is based upon the student numbers recorded in the October census in the previous calendar year. As the school has an increasing student population, it has been necessary to increase the teaching staff numbers (and thus revenue expenditure) in advance of receiving funding appropriate to current student numbers.

The majority of the academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2021, out of total expenditure of £3,156,561 (2020: £2,957,319), £2,157,932 (2020: £2,297,184) was covered by recurrent grant funding from the DfE. The net income/(expenditure) before transfers and revaluations for the period was £112,125 (2020: £67,739).

At 31 August 2021, the net book value of fixed assets was £3,922,163 (2020: £3,965,346) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the Students of the Academy.

Investment policy and objectives

The aim is to maintain at least £250,000 of liquid assets to fund the delay between spending and receipt of grants and maintain a safety net to cover emergency spending.

Reserves policy

The policy is to carry forward sufficient funds to meet the academy's long term aims and objectives without compromising its current operational activities. The deficit linked to the Local Government Pension Scheme is considered when assessing the position.

The academy's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £115,144 (2020: £108,748). The level of general restricted reserves is £866,627 (2020: £590,713).

Going concern

After making appropriate enquiries, the board of directors have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis is adopted in preparing the financial statements.

Principal risks and uncertainties

A risk analysis has been undertaken and updated for review by the directors. Consideration has been given to those risks linked to the school's reputation, operations and finances as well as its compliance with legislation. These risks have been subjected to a probability study and risk ranking in order to identify the actions necessary to reduce or eliminate the risk consequences.

During the lockdown for coronavirus March - July 2020, the school demonstrated its innovation and capacity to deliver high quality teaching and learning remotely via live online lessons and the increased use of online learning platforms to set and receive work. The academy has continued to ensure the quality of teaching and learning in any future lockdown situation whether for groups or individuals.

STRATEGIC REPORT

Future plans

The academy continues to grow and has an ongoing programme of maintenance. The school has been unsuccessful in its bids to the DfE for a number of capital projects but is continuing to pursue this potential source of funding. There have been discussions with the Local Authority with regard to Herefordshire's Capital Investment Strategy, but reliance is not being placed on financial support from them to fund any future developments, so external funding streams continue to be sought.

The academy is in the process of purchasing neighbouring land to ensure future building work is possible and to create a full size playing field. We are expecting to complete the purchase in October 2021.

The academy will continue to look ahead to national and local curriculum developments to ensure that we are able to provide an appropriate education for all our learners, in addition the school will continue to provide top quality teaching and learning to ensure that numbers are maintained and the school is financially viable and sustainable for the long term.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The charitable company is known as Fairfield High School. The academy was incorporated on 12 March 2014 and commenced as an academy from 1 May 2014.

Details of the directors who served throughout this period are included in the Reference and Administrative details on page 1.

Members' liability

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

Directors' indemnities

Directors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the directors knew to be a breach of trust or breach of duty or which was committed by the directors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the directors in their capacity as directors of the Academy Trust. The limit of this indemnity is £5,000,000 and is provided by Zurich Municipal.

Principal activities

These are described above in the Objectives and Activities section of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of members and Directors

The Members comprise the Chair of Directors, other Members appointed on incorporation and may also include such additional Members as may be appointed by special resolution of the Members. The minimum number of Members is three and there is no maximum number. The academy aimed to have five Members by the end of the 2020-21 academic year and has achieved this by Mr Patrick Cramie joining the Members in July 2021.

The directors comprise up to ten directors appointed by the Members, up to three staff directors, a minimum of two parent directors, the Headteacher and any co-opted directors. The minimum number of directors is three and there is no maximum number.

Staff directors may be appointed by the Members through such process as they may determine but the number of staff directors plus the Headteacher shall not exceed one third of the total number of directors.

Parent directors are elected by the parents of registered students or, in certain circumstances, appointed by the directors.

The term of office for directors is four years and, subject to eligibility, directors may be re-appointed or re-elected.

Associate directors are appointed by the directors and are not directors for the purposes of the Companies Act 2006. They attend board meetings by invitation of the directors but do not have a vote. It is the current practice to appoint two staff members (other than the Headteacher) as associate directors.

Organisational structure

The structure consists of three levels: the directors, Senior Leadership Team and Head of Faculty. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team is the Head Teacher, two Deputy Head Teachers, two Assistant Headteachers and the Director of Finance and Administration.

The school is led and managed via full directors' meetings and directors' committees meetings which take place at least on a termly basis: weekly Senior Leadership Team meetings; monthly Head of Faculty meetings; whole staff meetings, faculty meetings and pastoral team meetings. There are also five In Service Training Days per year for all staff.

The following decisions are reserved to the directors: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the directors, to approve the Annual Development Plan and budget. The directors 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 and capital expenditure. Some financial responsibilities are delegated to the Business Committee in accordance with its Terms of Reference and to the Headteacher. The directors have devolved responsibility for day to day management of the Academy to the Headteacher. The Headteacher will implement the policies laid down by the directors and report back to them on performance.

The Headteacher is the Accounting Officer.

Policies and procedures adopted for the induction and training of Directors

The level of training provided for directors is tailored to their level of understanding and previous knowledge. Each new director meets with the Chair of Directors and the Headteacher, is given detailed information about the school on appointment and is regularly offered appropriate training via Herefordshire Director Services and the school. All directors are trained in appropriate safeguarding procedures.

Fairfield High School

Report of the Directors
for the Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The Headteacher has an additional payment to reflect the extra responsibility and workload associated with Executive Headship at Longtown Primary School.

Payments for additional work undertaken by the Headteacher as a School Improvement Partner or National Leader of Education are made directly to the school.

Trade Union Facility Time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2021.

Union officials were only internal representatives and did not undertake duties outside the school.

Relevant union officials

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

52

Percentage of time spent on facility time

Percentage of time

0%

1-50%

51-92%

100%

Number of employees

0

Nil

Nil

Nil

Percentage of pay bill spent on facility time

Total cost of facility time

Total pay bill

£

0

2,510,872

Percentage of the total pay bill spent on facility time calculated as:

(total cost of facility time ÷ total pay bill) × 100

0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

(total hours spent on paid trade union activities by relevant union officials during the relevant period

÷ total paid facility time hours) × 100

0%

Related parties

The Headteacher is the Executive Headteacher of Longtown Primary School. The primary school has a service level agreement with Fairfield High School for the provision of the executive headship role. In addition Fairfield High School works supporting other schools and offering training. The Headteacher is also acting as School Improvement Partner to two other Herefordshire schools and is a member of the Herefordshire School Improvement Partnership and the local authority Capital Strategy Group. The Headteacher has also been designated as a National Leader of Education and the school as a National Support School in May 2016. The school became a Teaching School in September 2017 but this status ceased 31st August 2021.

Fairfield High School

Report of the Directors
for the Year Ended 31 August 2021

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Thorne Wiggery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting and for September 2022 we will consider an invitation to tender as per the Academies Handbook 2021.

The Report of the Directors, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on12/12/21..... and signed on its behalf by:



.....
Mrs J V Archer - Director

Fairfield High School

Governance Statement (for the Year Ended 31 August 2021)

Scope of Responsibility

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

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

The board of the directors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Fairfield High School and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

The directors consider that the Board and its Committees combined, meet adequately and regularly over the course of the year in order to discharge their responsibilities and have robust and effective management arrangements.

Governance

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

Director	Meetings attended	Out of a possible
Mrs J Archer	3	3
Mr B Eacock	3	3
Mr T Edwards	2	3
Mrs S Gaston	3	3
Mrs N Thompson	2	3
Mr S Purse	3	3
Dr M Probert	3	3
Mrs B Walsh	2	3
Mrs N Thompson	2	3

The Business Committee is a sub-committee of the main board of directors. The main function of this committee is to consider and make recommendations to the directors on all financial and budgetary matters. Attendances at meetings in the year were as follows:

Director	Meetings attended	Out of a possible
Mr B Eacock	3	3
Mr T Edwards	3	3
Mrs S Gaston	3	3
Mrs J Archer	2	3
Mr S Purse	3	3
Mrs B Walsh	2	3

The Education Committee is a sub-committee of the main board of directors. Attendances at meetings in the year were as follows:

Director	Meetings attended	Out of a possible
Mrs J Archer	2	2
Mrs S Gaston	2	2
Mrs B Walsh	1	2
Dr M Probert	2	2
Mrs N Thompson	0	2

Governance Review

The Education and Skills Funding Agency's Financial Management and Governance Self-Assessment return was considered by the directors. This assessment allowed the directors to consider aspects covering financial oversight, financial planning, internal control, financial monitoring and management and audit requirements. It also ensured compliance with the requirements of the Academies Handbook 2020.

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors 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:

- Weekly meeting with the Director of Finance to look at budgets, premises, future planning, staffing and costs
- Ensuring the Finance Policy is adhered to and appropriate financial safeguards are in place

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 Fairfield High School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

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 directors;
- regular reviews by the Business Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting target to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of directors has considered the need for an internal audit and Academy Audit Ltd performs this function, the role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. They prepared a report with recommendations that are reviewed at least annually by the board of directors. In addition John Swift, a Member of the academy trust with financial expertise, attends board meetings and offers advice where appropriate. Other than noted above, no changes have been made to the internal controls and procedures operated at Fairfield.

Fairfield High School

Governance Statement
for the Year Ended 31 August 2021

Review of Effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. Since becoming an academy, the review has been informed by:

- The internal audit and review work.
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Any recommendations made by the auditors, following the audit will be considered and acted upon in a timely manner.

Approved by order of the members of the Board of Directors on17 / 12 / 21..... and signed on its behalf by:



Mrs J V Archer - Director



Mrs S Geston - Director

Fairfield High School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2021

As accounting officer of Fairfield High School I have considered my responsibility to notify the academy Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy board of Directors are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2020.

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 Directors and ESFA.

.....*S. Goston*.....
Mrs S Goston - Accounting Officer

Date:17/12/21.....

Fairfield High School

Statement of Directors' Responsibilities
for the Year Ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approved by order of the members of the Board of Directors on 17 / 12 / 21 and signed on its behalf by:


.....
Mrs J V Archer - Director

Report of the Independent Auditors to the Members of
Fairfield High School

Opinion

We have audited the financial statements of Fairfield High School (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Fairfield High School

Matters on which we are required to report by exception

In the light of the 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 Report of the Directors.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors 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 Directors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Fairfield High School

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Financial Handbook 2020, the Academies Accounts Direction 2021, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with these laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

The maintenance and integrity of the Fairfield High School website is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Fairfield High School

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr K.M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Wiggory Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7ES

Date: 21/12/21

Note:

The maintenance and integrity of the Fairfield High School website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to
Fairfield High School and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fairfield High School during the period 1 September 2020 to 31 August 2021 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 Fairfield High School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fairfield High School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fairfield High School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Fairfield High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fairfield High School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Independent Reporting Accountant's Assurance Report on Regularity to
Fairford High School and the Education and Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Thomas Widgey Accountancy Ltd
Chartered Accountants
Reporting Accountant
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7DS

Date:21/12/21.....

Fairfield High School

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2021

				31.8.21	31.8.20	
	Notes	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	3,630	12,372	45,952	62,154	137,164
Charitable activities						
Funding for the academy's educational operations	3	-	-	3,205,961	3,205,961	2,748,960
Other trading activities	4	2,474	-	17,806	20,480	23,115
Investment income	5	92	-	-	92	547
Total		6,396	12,372	3,269,719	3,288,687	2,909,386
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	3	-	115,424	3,001,487	3,117,111	2,915,569
Teaching schools		-	-	39,450	39,450	41,750
Total	6	-	115,424	3,041,137	3,156,561	2,957,319
NET INCOME/(EXPENDITURE)		6,396	(103,052)	228,582	132,126	(47,933)
Transfers between funds	96	-	59,668	(59,668)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	(25,000)	(25,000)	106,000
Net movement in funds		6,396	(43,384)	143,914	107,126	58,261
RECONCILIATION OF FUNDS						
Total funds brought forward		108,748	3,965,347	(888,287)	3,185,808	3,127,547
TOTAL FUNDS CARRIED FORWARD		115,144	3,922,163	(744,373)	3,292,934	3,185,808

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Fairfield High School (Registered number: 08936256)

Balance Sheet
31 August 2021

	Notes	31.8.21 £	31.8.20 £
FIXED ASSETS			
Tangible assets	12	3,922,163	3,965,346
CURRENT ASSETS			
Debtors	13	203,427	85,738
Cash at bank and in hand		<u>950,234</u>	<u>771,921</u>
		1,153,661	857,659
CREDITORS			
Amounts falling due within one year	14	<u>(171,890)</u>	<u>(158,197)</u>
NET CURRENT ASSETS		<u>981,771</u>	<u>699,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,903,934	4,664,808
PENSION LIABILITY	17	<u>(1,611,000)</u>	<u>(1,479,000)</u>
NET ASSETS		<u>3,292,934</u>	<u>3,185,808</u>
FUNDS	18		
Restricted funds:			
Conversion and Depreciation		3,794,004	3,862,324
Fixed assets funded by GAG		67,041	32,147
ESFA Capital Grants		59,888	67,126
Pension fund		<u>(1,611,000)</u>	<u>(1,479,000)</u>
General Annual Grant		821,834	545,920
Other general restricted funds		44,793	44,793
Fixed assets funded by other sources		<u>1,250</u>	<u>1,750</u>
		<u>3,177,790</u>	<u>3,077,060</u>
Unrestricted funds:			
General fund		<u>115,144</u>	<u>108,748</u>
TOTAL FUNDS		<u>3,292,934</u>	<u>3,185,808</u>

The financial statements were approved by the Board of Directors and authorized for issue on 17 / 12 / 21 and were signed on its behalf by:


.....
Mrs J V Archer - Director

Fairfield High School

Cash Flow Statement

for the year ended 31 August 2021

	Notes	31.8.21 €	31.8.20 €
Cash flows from operating activities			
Cash generated from operations	1	<u>237,889</u>	<u>88,565</u>
Net cash provided by operating activities		<u>237,889</u>	<u>88,565</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(72,241)	(33,279)
Capital grants from DfE/EFA		12,573	12,522
Interest received		<u>92</u>	<u>341</u>
Net cash used in investing activities		<u>(59,576)</u>	<u>(20,416)</u>
Change in cash and cash equivalents in the reporting period		178,313	68,149
Cash and cash equivalents at the beginning of the reporting period		<u>771,921</u>	<u>703,772</u>
Cash and cash equivalents at the end of the reporting period		<u>950,234</u>	<u>771,921</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
(for the Year Ended 31 August 2021)

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	31.8.21	31.8.20	
	£	£	
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	132,126	(47,729)	
Adjustments for:			
Depreciation charges	115,424	114,137	
Capital grants from DfE/ESFA	(12,573)	(12,522)	
Interest received	(92)	(54)	
(increase)/decrease in debtors	(117,489)	46,795	
increase/(decrease) in creditors	13,693	(38,765)	
Difference between pension charge and cash contributions	<u>107,000</u>	<u>87,000</u>	
Net cash provided by operations	<u>217,889</u>	<u>88,565</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>771,921</u>	<u>178,313</u>	<u>950,234</u>
	<u>771,921</u>	<u>178,313</u>	<u>950,234</u>
Total	<u>771,921</u>	<u>178,313</u>	<u>950,234</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Fairfield High School meets the definition of a public benefit entity under FRS 102.

Going concern

The directors 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 directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered the effects of Covid 19 on their financial future and are confident there will be no significant effect on them continuing as a going concern.

The Academy's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £115,144 (2020: £108,748) all of which is free reserves. The level of general restricted reserves (excluding pension) is £866,627 (2020: £590,713).

Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

1. ACCOUNTING POLICIES - continued

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Costs of charitable activities are 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.

Tangible fixed assets

Assets costing £2,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Leasehold buildings	2%	per annum
Leasehold improvements	10%-20%	per annum
ICT equipment	33.3%	per annum
Motor Vehicles	25%	per annum

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

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

Liabilities

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

Provisions

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

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

Leased Assets

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

Investments

The aim is to maintain at least £250,000 of liquid assets to fund the delay between spending and receipt of grants and maintain a safety net to cover emergency spending.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the financial statements. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes to the financial statements. 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.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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.

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted general funds comprise all other restricted funds received and include grants from the Education Skills Funding Agency.

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

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated 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. As stated in the pension note, the 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 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.

Critical accounting estimates and assumptions

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the pension note, 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 2010 has been used by the actuary in valuing the pensions liability at the year end. 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Grants and donations	-	1,181	1,181	898
Capital Grants	-	12,573	12,573	12,522
School trips etc	-	17,936	17,936	100,585
Contributions from other organisations	<u>3,630</u>	<u>26,834</u>	<u>30,464</u>	<u>21,199</u>
	<u>3,630</u>	<u>58,524</u>	<u>62,154</u>	<u>137,164</u>

In the comparatives £135,472 related to restricted funds and £1,692 to unrestricted funds.

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

	31.8.21 £	31.8.20 £
Capital Grant	<u>12,573</u>	<u>12,522</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,590,126	2,590,126	2,400,127
Other DfE/ESFA Grants	-	12,380	12,380	9,852
Teaching school grant	-	39,400	39,400	42,500
Other DfE/ESFA - Student Premium	-	78,943	78,943	74,611
Other DfE/ESFA - PSM	-	-	-	<u>2,640</u>
	-	<u>2,720,849</u>	<u>2,720,849</u>	<u>2,559,730</u>
Other Government grants				
Other local authority	-	277,413	277,413	54,568
Teachers Pension Grant	-	102,267	102,267	134,462
Teachers Pay Grant	-	<u>36,192</u>	<u>36,192</u>	-
	-	<u>415,872</u>	<u>415,872</u>	<u>189,230</u>
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA - Covid catch up grant	-	42,720	42,720	-
Other DfE/ESFA COVID-19 funding	-	<u>26,470</u>	<u>26,470</u>	-
	-	<u>485,062</u>	<u>485,062</u>	<u>189,230</u>
	-	<u>3,205,911</u>	<u>3,205,911</u>	<u>2,748,960</u>

All of the figures included in the comparatives related to restricted funds.

The academy received £43k of funding for catch up premium and costs incurred in respect of this funding totalled £43k.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2011

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.21 Total funds £	31.8.20 Total funds £
Income from other schools	-	17,806	17,806	16,468
Other income	2,674	-	2,674	6,647
	<u>2,674</u>	<u>17,806</u>	<u>20,480</u>	<u>23,115</u>

In the comparatives £16,468 related to restricted funds and £6,647 to unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.8.21 Total funds £	31.8.20 Total funds £
Short term deposits	92	-	92	341

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	2,119,470	68,320	266,496	2,454,286	2,296,996
Allocated support costs	351,952	110,536	200,337	662,825	615,573
Teaching schools					
Direct costs	39,450	-	-	39,450	34,950
Allocated support costs	-	-	-	-	6,800
	<u>2,510,872</u>	<u>178,856</u>	<u>466,833</u>	<u>3,156,561</u>	<u>2,957,319</u>

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

	31.8.21 £	31.8.20 £
Auditors' remuneration	8,990	8,364
Auditors' remuneration for non audit work	685	450
Depreciation - owned assets	115,424	114,138
Operating losses	<u>4,969</u>	<u>5,481</u>

7. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs - academy's educational operations	-	2,454,286	2,454,286	2,299,996
Direct costs - teaching schools	-	29,450	29,450	34,950
Support costs - academy's educational operations	-	662,825	662,825	615,573
Support costs - teaching schools	-	-	-	6,800
		<u>3,156,561</u>	<u>3,156,561</u>	<u>2,957,319</u>

	31.8.21 Total £	31.8.20 Total £
Analysis of support costs		
Support staff costs	351,952	334,433
Depreciation	26,019	36,165
Administration and technology costs	88,921	87,299
Premises costs	110,536	97,542
Other support costs	65,722	58,130
Governance costs	9,672	8,014
Total support costs	<u>662,825</u>	<u>627,377</u>

In the comparatives (£2,956,133) related to restricted funds and (£1,187) to unrestricted funds.

8. DIRECTORS' REMUNERATION AND BENEFITS

The Headteacher received remuneration in respect of services provided undertaking the role of Headteacher and not in respect of service as a director. Other directors did not receive any payments, other than expenses, from the academy trust in respect of their role as directors. The value of directors' remuneration and other benefits received during the period, was as follows:

		2021	2020
1 Gaston	Headteacher and Accounting Officer	Remuneration £95,000 - £100,000	£95,000 - £100,000
		Car Pension Contributions £20,000 - £25,000	£20,000 - £25,000

This is based on the national salary range for a group 4 school and also includes (£15,302 (2020): (£15,302) plus Employers National Insurance Contributions for the Executive Headship referred to in note 22. This additional payment will continue for as long as the Executive Headship role is undertaken.

Other related party transactions involving the Directors are set out in note 20.

8. DIRECTORS' REMUNERATION AND BENEFITS - continued

Directors' expenses

During the period ended 31 August 2021, expenses totalling £453 (2020: £190) were reimbursed to 1 Director (2020: 1).

9. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	1,897,799	1,734,323
Social security costs	181,676	161,295
Operating costs of defined benefit pension schemes	<u>429,758</u>	<u>399,967</u>
	2,509,233	2,295,585
Supply teacher costs	<u>1,638</u>	<u>11,112</u>
	<u>2,510,871</u>	<u>2,306,697</u>

The average number of persons employed during the year for 2020/21 has decreased due to hiring no exam invigilators. As this is only a casual role, there has not been a significant effect on staff costs.

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

	31.8.21	31.8.20
Teachers	32	30
Administration and support	33	53
Management	<u>6</u>	<u>7</u>
	<u>71</u>	<u>90</u>

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

	31.8.21	31.8.20
£60,001 - £70,000	2	-
£70,001 - £100,000	<u>1</u>	<u>1</u>
	<u>3</u>	<u>1</u>

Key Management Personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £549,186 (2020: £557,095).

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

10. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance for the year ended 31 August 2020 is included in the total cost of insurance.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	1,692	12,532	112,950	137,144
Charitable activities				
Funding for the academy's educational operations	-	-	2,748,960	2,748,960
Other trading activities	5,647	-	16,468	23,115
Investment income	341	-	-	341
Total	8,680	12,532	2,888,378	2,909,590
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	1,187	114,137	2,800,245	2,915,569
Teaching schools	-	-	41,750	41,750
Total	1,187	114,137	2,841,995	2,957,319
NET INCOME/(EXPENDITURE)	7,493	(101,615)	46,383	(47,739)
Transfers between funds	-	20,758	(20,758)	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	106,000	106,000
Net movement in funds	7,493	(80,857)	131,625	58,261
RECONCILIATION OF FUNDS				
Total funds brought forward	101,255	4,046,204	(1,019,912)	3,127,547
TOTAL FUNDS CARRIED FORWARD	108,748	3,965,347	(888,287)	3,185,808

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2020	4,195,000	85,044	11,500	228,948	4,620,492
Additions	-	79,739	-	52,502	72,241
At 31 August 2021	<u>4,195,000</u>	<u>164,783</u>	<u>11,500</u>	<u>281,450</u>	<u>4,652,733</u>
DEPRECIATION					
At 1 September 2020	432,678	23,629	2,750	191,091	655,148
Charge for year	68,320	11,085	2,500	33,519	115,424
At 31 August 2021	<u>500,998</u>	<u>34,714</u>	<u>10,250</u>	<u>224,610</u>	<u>770,572</u>
NET BOOK VALUE					
At 31 August 2021	<u>3,794,004</u>	<u>130,069</u>	<u>1,250</u>	<u>56,840</u>	<u>3,922,163</u>
At 31 August 2020	<u>3,862,324</u>	<u>61,415</u>	<u>2,750</u>	<u>37,857</u>	<u>3,965,346</u>

The leasehold land and buildings at Peterchurch is leased for no consideration from Herefordshire Council for a term of 125 years from 2014.

Included within long leasehold land and buildings is non-depreciating land valued at £879,000.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade debtors	13,211	6,508
VAT	13,417	6,992
Prepayments and accrued income	<u>176,799</u>	<u>69,238</u>
	<u>203,427</u>	<u>82,738</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade creditors	49,011	45,862
Social security and other taxes	90,250	80,740
Accruals and deferred income	<u>32,628</u>	<u>31,595</u>
	<u>171,890</u>	<u>158,197</u>

	31.8.21	31.8.20
Deferred income at 1 September 2020	24,195	60,875
Resources deferred in the year	25,000	24,195
Amounts released from previous years	<u>(24,195)</u>	<u>(160,875)</u>
Deferred income at 31 August 2021	<u>25,000</u>	<u>24,195</u>

At the balance sheet date the Academy Trust was holding funds received in advance in relation to trips due to take place in the 21/22 academic year.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	31.8.21 Total funds £
Fixed assets	-	3,922,163	-	3,922,163
Current assets	115,144	10,167	1,028,350	1,153,661
Current liabilities	-	(10,167)	(141,721)	(171,890)
Pension liability	-	-	(1,611,000)	(1,611,000)
	<u>115,144</u>	<u>3,922,163</u>	<u>(764,371)</u>	<u>3,292,934</u>

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

	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	31.8.20 Total funds £
Fixed assets	-	3,965,346	-	3,965,346
Current assets	109,000	2,790	740,869	857,659
Current liabilities	(252)	(7,789)	(150,156)	(158,197)
Pension liability	-	-	(1,479,000)	(1,479,000)
	<u>108,748</u>	<u>3,965,347</u>	<u>(888,387)</u>	<u>3,105,808</u>

16. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Restricted general funds				
Convention and Depreciation	3,842,324	(68,320)	-	3,794,004
Fixed assets funded by GAG	32,147	(21,273)	56,167	67,041
ESFA Capital Grants	67,126	(10,759)	3,501	59,868
Pension fund	(1,479,000)	(132,000)	-	(1,611,000)
General Annual Grant	545,520	332,195	(56,381)	821,834
Other general restricted funds	44,793	-	-	44,793
Fixed assets funded by other sources	3,750	(2,500)	-	1,250
Other DfE/ESFA - Covid catch up premium	-	3,387	(3,387)	-
	<u>3,077,060</u>	<u>100,730</u>	<u>-</u>	<u>3,177,790</u>
Unrestricted fund				
General fund	108,748	6,396	-	115,144
	<u>3,185,808</u>	<u>107,126</u>	<u>-</u>	<u>3,292,934</u>

14. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Conversion and Depreciation	-	(68,320)	-	(68,320)
Fixed assets funded by GAG	-	(21,273)	-	(21,273)
ESFA Capital Grants	12,572	(23,311)	-	(10,739)
Pension fund	-	(107,000)	(25,000)	(132,000)
General Annual Grant	2,590,127	(2,257,932)	-	332,195
Other general restricted funds	341,170	(341,170)	-	-
Other ESFA Grants	51,830	(51,830)	-	-
Fixed assets funded by other sources	-	(2,500)	-	(2,500)
Other DfE/ESFA - Covid catch up premium	42,720	(19,313)	-	2,387
Other DfE/ESFA - Student Premium	79,943	(79,943)	-	-
Teachers Pay Grant	36,792	(36,192)	-	-
Other DfE/ESFA - Teachers Pension Grant	102,267	(102,267)	-	-
Other DfE/ESFA - Other Covid	28,470	(28,470)	-	-
	<u>3,182,291</u>	<u>(3,156,561)</u>	<u>(25,000)</u>	<u>100,730</u>
Unrestricted fund				
General fund	6,396	-	-	6,396
	<u>3,288,687</u>	<u>(3,156,561)</u>	<u>(25,000)</u>	<u>107,126</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
Conversion and Depreciation	3,930,644	(68,320)	-	3,862,324
Fixed assets funded by GAG	55,746	(23,599)	-	32,147
ESFA Capital Grants	53,564	(7,196)	20,758	67,126
Pension fund	(1,498,000)	19,000	-	(1,479,000)
General Annual Grant	432,850	132,843	(19,773)	545,920
Other general restricted funds	45,003	(210)	-	44,793
Other ESFA Grants	235	750	(985)	-
Fixed assets funded by other sources	9,750	(2,300)	-	7,450
	<u>3,026,292</u>	<u>50,768</u>	<u>-</u>	<u>3,077,060</u>
Unrestricted fund				
General fund	101,255	2,493	-	103,748
	<u>3,127,547</u>	<u>58,261</u>	<u>-</u>	<u>3,185,808</u>

16. MOVEMENT IN FUNDS – continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
Conversion and Depreciation	-	(68,320)	-	(68,320)
Fixed assets funded by GAG	-	(23,599)	-	(23,599)
ESFA Capital Grants	12,522	(19,718)	-	(7,196)
Pension fund	-	(87,000)	106,000	19,000
General Annual Grant	2,430,127	(2,297,284)	-	132,843
Other general restricted funds	193,966	(194,796)	-	(830)
Other ESFA Grants	52,352	(51,602)	-	750
Fixed assets funded by other sources	-	(2,500)	-	(2,500)
Other DfE/ESFA - Student Premium	74,611	(74,611)	-	-
Teachers Pay Grant	25,199	(25,199)	-	-
Other DfE/ESFA - Teachers Pension Grant	99,463	(99,463)	-	-
Other DfE/ESFA - FSW	7,640	(7,640)	-	-
	<u>2,909,900</u>	<u>(2,976,132)</u>	<u>106,000</u>	<u>30,768</u>
Unrestricted fund				
General fund	8,680	(1,187)	-	7,493
	<u>2,909,580</u>	<u>(2,957,319)</u>	<u>106,000</u>	<u>38,261</u>

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

- * General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- * Other ESFA Grants: are utilised for the purposes intended by the donor.
- * Other Restricted General Funds: include payments made towards Academy trips and reflect the grant income and expenditure related to the refurbishment of the science block in 2018/19.
- * The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- * Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- * Unrestricted Funds: are for general use in the Academy.

Transfers between funds

£51,168 (2020: £20,758) has been transferred from the restricted general fund to the restricted fixed asset fund to fund the purchases of fixed assets in the period. £8,500 (2020: nil) has been transferred from the Covid Catch up premium fund to the restricted fixed asset fund to fund the purchases of fixed assets in the period. £5,113 has been transferred from the restricted general fund to the Covid Catch up premium fund to clear the overpend.

The surplus of the Teaching school for 2020 (198) was transferred to the restricted general fund from other ESFA grants. See note 21.

17. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County 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 to the period ended 31 March 2019.

Contributions amounting to £45,764 were payable to the schemes at 31 August 2021 (2020 - £41,514) and are included within creditors.

Teachers' pension scheme

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

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

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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £196,052 (2020 - £287,283).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £140,515 (2020: £137,266), of which employer's contributions totalled £113,759 (2020: £112,437) and employees' contributions totalled £26,756 (2020: £24,829). The agreed contribution rates for future years are 17.4% for employers and between 5.5% and 10.5% for employees.

17. PENSION AND SIMILAR OBLIGATIONS - continued

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

As the scheme is in deficit, the academy has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable will be the Future Service Rate of 22.4% of payroll plus phased lump sum deficit contributions starting at £27,400 for the year to 31 March 2020, increasing by approximately 4% per annum. The rate payable from 1 April 2021 will be further revised following the valuation of the Pension Fund on 31 March 2022.

The current estimated recovery period is 14 years.
The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Present value of funded obligations	(2,664,000)	(2,253,900)
Fair value of plan assets	<u>1,053,000</u>	<u>774,000</u>
	(1,611,000)	(1,479,900)
Present value of unfunded obligations	-	-
Deficit	<u>(1,611,000)</u>	<u>(1,479,900)</u>
Net liability	<u>(1,611,000)</u>	<u>(1,479,900)</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	194,000	172,000
Net interest from net defined benefit asset/liability	25,000	25,000
Past service cost	-	-
Administration expenses	<u>2,000</u>	<u>2,000</u>
	<u>221,000</u>	<u>199,000</u>
Actual return on plan assets	<u>153,000</u>	<u>59,000</u>

17. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	2,253,000	2,104,000
Current service cost	194,000	172,000
Contributions by scheme participants	27,000	25,000
Interest cost	40,000	37,000
Oblig no descr	(55,000)	(116,000)
Actuarial losses/(gains)	218,000	57,000
Benefits paid	(13,000)	(26,000)
	<u>2,664,000</u>	<u>2,253,000</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	774,000	606,000
Contributions by employer	114,000	112,000
Contributions by scheme participants	94,000	25,000
Expected return	15,000	12,000
Actuarial gains/(losses)	138,000	47,000
Benefits paid	-	(26,000)
Administration expenses	(2,000)	(2,000)
	<u>1,053,000</u>	<u>774,000</u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial gains/(losses)	<u>(25,000)</u>	<u>106,000</u>
	<u>(25,000)</u>	<u>106,000</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2021

17. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	877,000	509,000
Government bonds	-	52,000
Other bonds	1,000	41,000
Property	46,000	42,000
Cash/liquidity	26,000	31,000
Other	183,000	97,000
	<u>1,053,000</u>	<u>774,000</u>

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

	31.8.21	31.8.20
Discount rate	1.70%	1.80%
Future salary increases	4.10%	3.90%
Future pension increases	2.80%	2.50%
Inflation assumption (CPI)	2.70%	2.40%

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

	31.8.21	31.8.20
Retiring today		
Males	22.7	22.6
Females	25.1	25
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	27

	31.8.21	31.8.20
	£	£
Sensitivity analysis		
Discount rate -0.1%	(35,000)	(46,000)
Discount rate +0.1%	36,000	47,000
Mortality assumption - 1 year increase	85,000	44,000
Mortality assumption - 1 year decrease	(82,000)	(64,000)
CPI rate +0.1%	54,000	48,000
CPI rate -0.1%	(55,000)	(47,000)

18. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Directors are aware of.

19. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

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

	31.8.21	31.8.20
	£	£
Within one year	<u> -</u>	<u>4,969</u>

20. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Directors have an interest. The following related party transactions took place in the financial period.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook 2020, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

S Gaston, Headteacher and accounting officer acts as the Executive Headteacher of Longtown Primary School. During the year, the academy trust received £17,806 (2020: £16,468) in respect of this service, and this includes provision of other staff members' time. As a result of this arrangement, S Gaston is paid an additional £15,302/annum (2020: £15,302/annum) in relation to these additional duties. In addition, during the year expenditure of £209 (2020: £Nil) was recharged to Longtown Primary School for goods and services bought on their behalf. At the year end £Nil was owed to the academy trust (2020: £2,902).

D Kelly's (Deputy Headteacher) father T Kelly, provided building services during the year of £9,179 (2020: £659), at the year end £Nil (2020: £659) was owed by the academy trust.

In entering into the above transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2020, and any element above £2,500 has been provided 'at no more than cost'.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying 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.

21. POST BALANCE SHEET EVENTS

Before the year end, Fairfield High School transferred £79k to their solicitors as they were due to make a land purchase after the year end. Since the year end, the land purchase has been completed.

22. TEACHING SCHOOL TRADING ACCOUNT

	2021 £	2020 £
Income		
Direct income		
Grants	39,450	42,500
Other income	-	-
Total income	39,450	42,500
Expenditure		
SLT salaries and oncosts	39,450	31,650
Administrative	-	3,900
Training and development	-	3,300
Total expenditure	39,450	38,850
Surplus/(deficit) from all sources	-	985
Transfers between funds	-	(985)
Teaching school balance at 1 September 2020	-	-
Teaching school balance at 31 August 2021	-	-

Fairfield High School

Detailed Statement of Financial Activities
for the Year Ended 31 August 2021

	31.8.21 £	31.8.20 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Grants and donations	1,181	896
Capital Grants	12,573	12,522
School trips etc	17,936	182,585
Contributions from other organisations	<u>30,464</u>	<u>21,159</u>
	62,154	117,164
Other trading activities		
Income from other schools	17,806	16,468
Other income	<u>2,674</u>	<u>6,647</u>
	20,480	23,115
Investment Income		
Short term deposits	92	341
Charitable activities		
Grants	<u>3,105,961</u>	<u>3,748,960</u>
Total Incoming resources	3,288,687	3,909,580
EXPENDITURE		
Charitable activities		
Wages	1,642,650	1,493,713
Social security	165,368	147,352
Pensions	349,263	320,087
Supply teacher costs	1,639	13,112
Educational supplies	104,306	149,558
Examination fees	33,971	39,512
Staff development	10,134	6,840
Long leasehold	68,320	68,320
Improvements to property	11,083	9,852
FRS accounting change for pension in excess of contributions paid	<u>107,000</u>	<u>87,000</u>
	2,493,736	2,314,946
Support costs		
Management		
Wages	155,549	140,610
Social security	16,308	13,943
Pensions	80,495	79,880
Administration and technology costs	15,295	17,857
Recruitment and support	25	25
Maintenance of premises and equipment	33,774	30,408
Cleaning	7,364	7,418
Carried forward	408,410	390,123

Fairfield High School

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

	31.8.21	31.8.20
	£	£
Management		
Brought forward	408,410	390,125
Rent and rates	10,387	10,181
Energy costs	33,535	30,844
Insurance	16,212	15,577
Security and transport	9,264	3,130
Catering	23,395	14,588
Motor vehicles	2,500	2,500
Computer equipment	33,519	33,665
Other costs	<u>42,302</u>	<u>43,507</u>
	579,524	546,117
Information technology		
Technology costs	71,626	69,442
Governance costs		
Auditors' remuneration	8,990	8,364
Auditors' remuneration for non audit work	<u>685</u>	<u>450</u>
	<u>9,675</u>	<u>8,814</u>
Total resources expended	<u>3,156,561</u>	<u>2,957,319</u>
Net income/(expenditure)	<u>132,126</u>	<u>(67,719)</u>