Company Registration No. 08929065 (England and Wales)

BARNWELL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

BARNWELL ACADEMY TRUST

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BARNWELL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	
	A Whitaker G Seagrove S Wharton A Mills P Cutts
Trustees	S Dimmock (Resigned 23 October 2019) A Emmerson (Accounting Officer) D C Smith (Resigned 23 October 2019) D Hargrave L Williams (Vice Chair) (Resigned 29 November 2019) N Collinson (Resigned 4 May 2020) S Wharton (Chair) N Procter C Armstrong (Resigned 7 October 2019) D J Scaman (Appointed 29 November 2019) K Bainbridge (Appointed 29 November 2019) A Hall (Appointed 29 November 2019)
Senior management team	
- Principle Headteacher	A Emmerson
- Deputy Headteacher	K Sadler
- Business Manager	C Nellist
Company secretary	C Nellist
Company registration number	08929065 (England and Wales)
Registered office	Whitefield Estate Houghton Le Spring Tyne & Wear DH4 7RT
Independent auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland SR1 1SE
Solicitors	Samuel Phillips 18-24 Grey Street Newcastle upon Tyne NE1 6AD

BARNWELL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

The trust operates a nursery and a primary academy for pupils aged 3 to 11 serving a catchment area in the Coalfields area of Sunderland. The primary academy has a pupil capacity of 210 and had a roll of 208 in the Spring school census (January 2020). Barnwell Academy is currently rated as 'Good' by Ofsted.

The trust also operates Barnwell Daycare, a 36-place childcare provision for children aged 0-5. Barnwell Daycare is located within the Monument Centre, which also comprises of a community sports hall and dedicated rooms for parental / children's activities. The Centre is located within the grounds of Barnwell Academy. Barnwell Daycare is currently rated as 'Outstanding' by Ofsted and was awarded with the Top 20 North East Nursery award (daynurseries.co.uk) in April 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The company was incorporated on 7th March 2014 and converted to academy status on 1st April 2014. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Barnwell Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Barnwell Academy Trust.

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

Members' liability

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

Trustees' indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business.

Method of recruitment and appointment or election of trustees

Trustees (or Directors) are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. Appointments are made are in line with the guidance in the Articles of Association. The term of office for any Director shall be four years.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees. The Head Teacher of the Academy shall be a Trustee for as long as he or she remains in that position.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at the Academy at the time they were elected or when the Trust was established.

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

Policies and procedures adopted for the induction and training of trustees

All new Trustees and/or Governors will be given induction training by the Trust's governance partner that reflects his/her previous experience and expertise. The Trust purchases support that provides for individual and full Governing Body training through an annual Service level agreement which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational structure

The Members established the Trust and set out the constitution of the school, through signing its memorandum and articles of association. Members can appoint and dismiss Trustees/Directors.

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Management Team of the Academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees set the strategic direction of the Trust and is ultimately accountable to the Secretary of State for its performance. They will hold to account the Head Teacher who is also the Accounting Officer. Powers are delegated from the Board via terms of reference. This is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual development plan, reviewing curriculum, budget monitoring, making major decisions about the direction of the Academy and the Trust and senior staffing appointments as well as monitoring standards and performance.

The Senior Management Team consists of the Head Teacher, Deputy Head Teacher and Business Manager. The team lead and manage the Trust at an executive level, steering the direction of the Academy in line with strategic plans and developing opportunities. They are also responsible for the day to day operation of the Academy (with support from the Senior Leadership Team) in addition to supporting the wider work and objectives of the Trust.

The Head Teacher and Trustees are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the Academy's financial regulations manual.

The Business Manager is responsible for the management of the financial systems, sourcing additional funds and ensuring efficient and effective use of resources. The Business Manager is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the financial regulations manual, alongside the management of support staff, facilities staff and the efficient operation of the school office.

The Head Teacher is the Accounting Officer for the Academy.

The Senior Leadership Team consists of the Senior Management Team with the addition of the EYFS / KS1 / KS2 Leads. The team lead and manage the effective delivery of the teaching and learning / curriculum.

The Trustees reviewed the organisational structure in 2019/20 and have ratified the addition of a Local Governing Body for Barnwell Academy. This structural change has enabled the trust to have effective governance in place to build capacity when the opportunity arises. The Local Governing Body will consist of 3x Parent Governors and 2x Staff Governors. Elections took place during October and November 2019. Trustees also reviewed the effectiveness of the Finance Committee which led to appointing a Chair of Finance Committee that had a financial background in accountancy, which will result in enhanced expertise and robust challenge.

Related parties and other connected charities and organisations

All members/, trustees, local governors and staff are required to declare any business interests that may impact on the Academy. A Trust Business and Pecuniary Interests register is updated on an annual basis. The adopted policy is that if interests are declared then the trustee will remove themselves from the relevant decision-making process.

For the period ending 31st August 2020 there are no connected organisations or related party relationships.

Arrangements for setting Pay and Remuneration of Key Management Personnel

During the period ending 31st August 2020, the arrangements for setting the pay and remuneration of the academy trust's key personnel have followed recognised procedures – the Headteacher's salary was paid in accordance with national guidelines in respect of the size of school and number of pupils. All other personnel are paid in line with nationally recognised pay scales and agreed by trade unions. Performance Management has been rigorous, and personnel have only been awarded an increase if targets have been met. The academy trust's personnel committee meet to discuss and agree any pay policies and remuneration awarded to individuals.

Trade union facility time

Relevant union officials (during the period ending 31st August 2020):

- Number of employees who were relevant union officials – None
- Percentage of time spent on facility time – 0%
- Percentage of pay bill on facility time – 0%
- Paid trade union activities - None

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016, this section will include information on the Trust's fundraising practices.

Trustees have overall responsibility and accountability for the Trust's fundraising. They have a key role to play in setting our approach to raising funds, making sure that this approach is followed in practice and reflects our charity's values, which are:

- Acting in the best interests of the trust
- Managing resources responsibly, which includes protecting and safeguarding the trust's reputation
- Acting with reasonable care and skill

Operational responsibility for fundraising events is delegated to the Senior Management Team.

All fundraising is carried out in the confines of the Trust's grounds and we do not work with, or have oversight, with any commercial participators / professional fundraisers.

During the year 1st September 2019 to 31st August 2020 our fundraising has been limited due to the Covid-19 pandemic. However, they do include:

- Harvest Festival – all proceeds to the Sunderland food bank
- Macmillan coffee morning – all proceeds to cancer research
- Children in Need penny fair – all proceeds to Children in Need

Trustees give assurance that fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law.

The monitoring of fundraising is carried out by Senior Management Team and any reports of compliance breaches or fundraising complaints will be reported to trustees. During the year 1st September 2019 to 31st August 2020, no breaches or complaints occurred.

All our fundraising events are located within Barnwell Academy and are open events. We do not add undue pressure for donations from the public, especially vulnerable people.

Extraordinary

In March 2020, the Prime Minister ordered a national lockdown due to the COVID-19 pandemic. The School and Daycare provision were partially closed between 23rd March and 2nd September 2020. Educational provision was provided for vulnerable pupils and of the government defined keyworker list. Home learning was provided for all other pupils.

Statutory testing was cancelled, and no children were assessed against national standards in EYFS, Year 1 phonics, Year 4 multiplication, Key Stage 1 or Key Stage 2.

All academy premises became COVID secure and government guidance was followed to ensure procedures for working and learning were conducted in a safe environment.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of Barnwell Academy to provide early years' education and childcare for children between the ages of 0-3 years in a day-care setting and providing education for pupils of different abilities between the ages of 3-11 years in school. Barnwell Academy is an inclusive environment and is dedicated to continually improving the quality of the educational provision for all of our pupils so that they may achieve their full potential and leave this school prepared for the demands of society in their future.

At Barnwell Academy our vision is to provide an outstanding education in which everyone can develop his or her aptitudes and abilities to the full. Barnwell Academy is staffed by a committed and talented team of teachers, teaching assistants, office and premises staff, and supported by an active Board of Trustees. We firmly believe that a key factor in helping children develop and achieve lies in the relationship between home and school.
Our aims:

- For all pupils to develop into successful learners and achieve their full potential through high quality purposeful teaching.
- To nurture and develop every child to become responsible and caring members of the community.
- To work in genuine partnerships with families and the wider community.
- To provide for every child an enjoyable, broad and balanced curriculum in a high quality, stimulating environment.
- To challenge, support and develop staff to create an outstanding workforce.

Trustees, staff, parents, and pupils aim to work together to ensure the vision is realised through robust planning, organisation, implementation, analysis and self-evaluation.

Objectives, strategies and activities

During the period ending 31st August 2020, the Board of Trustees and Senior Management Team continue to develop a strategic business plan that evaluates past years and sets objectives and milestones for the year ahead. This ensures the drive for educational excellence of the Academy and the Trust's expansion and financial stability for the future. This plan includes three main strategic aims going forward:

Strategic Aim 1: Outcomes	Key Strategic Areas
All academies are enabled to achieve excellence.	• To deliver high quality teaching and learning for every child providing a broad, balanced yet challenging curriculum.
	• To ensure every child regardless of ability, gender, race, age, religion, race or physical challenge, makes good progress, attains high and achieves their potential.
	• To use self-led evaluation to drive school improvement and staff development.

Success Criteria

1. Attainment at the end of EYFS is the same or better than the national.
2. Attainment at the end if Key Stage 1 is above the national.
3. Attainment at the end of key Stage 2 is above the national.
4. At the end of Key Stage 2 the gap between disadvantaged and others is diminished.
5. Progress across each year group is sustained or improved in English and Maths.
6. Teaching continues to be at least good or better in all year groups and is developed across the curriculum.
7. The curriculum is embedded and children develop a wide range of knowledge and skills.
8. The outcomes of the trust remain good or better.

Outcomes

In 2020 pupils in the Academy did not complete statutory testing due to COVID-19 arrangements. All reference to attainment and progress refer to teacher assessment. A comparison to the national has been made using the 3-year average up to 2019.

- Attainment at the end of EYFS was in line with the previous 3-year national average.
- Attainment at the end of Key Stage 1 was in line with the previous 3-year national average in reading and writing and above in mathematics.
- Attainment at the end of Key Stage 2 was above the previous 3-year national average.
- At the end of Key Stage 2 disadvantaged pupils made good progress and attained at the expected level in reading, writing and maths.
- Progress across each year group was sustained. In Key Stage 2 more progress was made in Maths.
- Teaching is at least good in all year groups ensuring all pupils make progress in English and maths.
- The curriculum is broad and balanced and develops a wide range of knowledge and skills. The curriculum is enriched with wider experiences and opportunities to develop children's interests.
- The outcomes of the trust remain good.

Strategic Aim 2: Leadership	Key Strategic Areas
To ensure high quality governance and leadership at all levels.	• To develop a Trust Board that represents the right skill-set to drive forward the organisation.
	• To secure local Governing bodies that are uncompromising in their ambition to improve outcomes for all pupils.
	• To empower Leaders to drive school improvement and set high expectations for all .
	• To develop the performance of middle leaders and build capacity for further improvement within the trust.

Success Criteria

1. The Trust Board consists of seven trustees recognised as being high performing.
2. Local Governing Bodies are established and ensure the delivery of academy strategic objectives and promote high standards of educational achievement.
3. Leadership, including Governance, is judged to be outstanding through self-led evaluation and external inspection.
4. The Trust Board are clearly focused on raising standards and securing excellent outcomes for all pupils in the trust.
5. Substantive leadership and well-developed middle-leaders, are demonstrating clear progress across the trust.
6. All statutory responsibilities, including safeguarding and health and safety, continue to be met.
7. The Trust Board continue to challenge and drive financial stability.

Outcomes

- The 5 members are operating well in their role.
- The Trust board are operating well in their roles. 2 Trustees have resigned and replaced on a skills basis. There continues to be a need trustees with HR, Legal and education skills.
- The Trust has established a separate Local Governing Body to strengthen accountability in the trust model.
- The Academy has collaborated with 3 primary schools consistently to raise standards in reading across the schools. The Academy
- Leadership, including Governance is consistently good through self-evaluation and external evaluation.
- The Trust Board are clearly focused on raising standards and securing excellent outcomes for all pupils. The designated safeguarding and SEND Trustees operate well in their role and champion pupils in the trust.
- Substantive leadership are demonstrating clear progress across the trust in their designated areas including EYFS and Daycare and curriculum subjects.
- All statutory responsibilities continue to be met by the trust.
- The Trust Board continue to challenge and drive financial stability. The Trust managed the COVID- 19 pandemic ensuring financial stability throughout.

Strategic Aim 3: **Business**	**Key Strategic Areas**
To strengthen the Trust by ensuring future sustainability.	i. To create and maintain a business plan that drives measured and systematic growth.
	i. To deliver balanced budget plans year-on-year.
	i. To monitor and successfully manage risks
	i. To deliver high-quality services

Success Criteria

1. The trust has grown to provide an inclusive educational community to 0-11 year olds.
2. Financial plans and forecasts deliver a stable budget position with no deficits within the trust.
3. The trust fully understands the management of Risk and has in place effective plans to mitigate and control these risks.
4. The trust provides high-quality services not only within the trust but to external partners.

Outcomes

- Members and Trustees have a clear vision for the trust. The vision is communicated to all stakeholders.
- Trustees and SLT remain up to date with the Academy landscape and developments. Attendance at Governors meetings is high and all leaders engage in relevant CPD.
- Leaders have collaborated with other primary schools locally and also 3 schools nationally to ensure school improvement is targeted. External evaluation confirms the academy provides a rich and broad curriculum which ensures all groups of pupils secure good outcomes.
- The academy has replaced the school kitchen, EYFS outdoor provision, flooring throughout the primary school and replaced table furniture in Key Stage 2. The school library has also been painted with a forest mural. The school environment is of a high standard and vibrant. It is a good, safe place to learn.
- Risk assessments identify political, social and economic risk and plan mitigation. External audits including those completed by health and safety and unions confirm they are relevant and robust.
- Due to COVID-19 generated unrestricted income ceased during March and September in community lettings. Overall, it has remained stable but has not increased.

Public benefit

The trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the academy and in planning future activities. In particular, the trustees consider the provision of education to provide public benefit to the community in which it operates.

Key performance indicators

The Academy continues to be oversubscribed with 82 pupils applying for 30 places in the Reception class. The school has very little mobility with most pupils joining in Reception and continuing their education through to Year 6. Any places that became available were allocated immediately according to the Academy's admissions criteria.

Attendance

High pupil attendance levels have continued. The Academy achieved a whole school attendance of 95.7% between September and March 2020. During the partial closure vulnerable and keyworker children attended regularly. All pupils were in regular contact with class teachers and keyworkers through an online home school engagement app, email, telephone, and socially distanced home visits.

Group	Cohort	Current Attendance	Persistent Absence less than 90%
Whole School	240	95.7	11%
SEND	38	94.5%	21.6%
Disadvantaged	57	95.2%	15.7%
Current FSM	47	94.8%	17.8%
EAL	2	82%	100%

End of Year Results

Key Stage 2 Teacher Assessments 2020

Number of children eligible: 29

	School Achieved standard (Scaled score of 100 or above)	FFT National expected standard	School Exceeded Standard (GDS)	FFT National Greater Depth
English: reading	87%	79%	30%	32%
English: grammar, punctuation and spelling	87%	76%	40%	29%
Maths	83%	78%	33%	27%
Reading/Writing/Maths	80%	70%	17%	15%
Writing	83%		33%	
Science	93%			

FFT is a non-profit, registered charity that provides information to UK based schools to support school improvement. The National data provided is generated from schools who submitted data in July 2020. This will not be all schools in England.

	School Progress Score	National Progress Score
Reading	-0.1	0
Writing	1.1	0
Maths	0.6	0
GPS	1.1	0

	School Average Scaled Score	FFT National Average Scaled Score
Reading	106	105
GPS	109	107
Maths	107	105

Key Stage 1 2020

Number of children eligible: 28

	Below the standard of the pre-key stage standard (BLW)	Pre-Key Stage: foundations for expected standard (PKF)	Working towards the expected standard (WTS)	Working at the expected standard (EXS or above)	Working at greater depth within expected standard (GDS)
English: writing	4%	10%	10%	75%	18%
English: reading	4%	4%	14%	78%	32%
Maths	4%	7%	4%	86%	21%

Science	EXS	HNM
	86%	14%

Key Stage 1 Phonics- Year 1

School	83%

End of Early Years 2020

School Good Level of Development	73%

End of KS2 results consistently indicate that by the time pupils leave Barnwell Academy they have made good progress and outcomes for pupils are consistently better than national results.

To ensure that standards are continually raised the Academy operates a schedule of robust self-evaluation to monitor the impact of teaching and learning. Monitoring and evaluation shows the Academy is consistently good in all aspects of leadership and management, teaching, learning and assessment, behaviour, welfare and safety and outcomes for pupils. The Academy was rated 'Good' in the last OFSTED and 'Outstanding' in early years.

During the period ending 31st August 2020, the trust has invested in devices and systems for effective remote / home learning to take place. Every teacher has their own laptop and every pupil has access to online classroom and learning environments (for example, Google classroom and MarvellousMe). Trustees and senior management are confident in the trust's ability to manage the delivery of the curriculum during any further lockdowns and / or blended learning requirements. Devices are made available to parents who can't access online materials by their own means.

All Senior Management and Leadership staff can work remotely (if the need arises) to ensure the smooth continuation of key management responsibilities (e.g. HR, Payroll, Safeguarding, etc). This includes access to networks and computers from any location and virtual meetings. All employees in the trust have access to an organisational email and receive timely correspondence / updates when needed. Staff, pupil and visitor welfare is something the trust takes seriously, more so during a national pandemic, therefore, risk assessments are checked on a more regular basis and counselling is available to staff who need it. The trust will continue to follow all Public Health and DfE guidance and work closely with the Local Authority, to ensure the safety of all our stakeholders.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future even with the consideration of the impact and future impact of the Covid-19 pandemic. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The main sources of income for the Academy Trust are grants from the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period 1st September 2019 to 31st August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives Early Years grant funding and Special Educational Needs funding for High Needs pupils, the use of which is also restricted to particular purposes.

During the period ended 31 August 2020, total expenditure of the Academy was met by recurrent grant funding from the ESFA together with other incoming resources.

During the period ending 31 August 2020, the national lockdown for Covid-19 had a significant impact on our Daycare provision, which had to close between March and June. This loss of childcare fees income was somewhat mitigated by our existing Daycare organisational structure where a large proportion of childcare assistant only get paid for the hours they work. The Government's Job Retention Scheme was used to provide these employees with 80% of their average weekly wage and to avoid the trust having to consider going through a redundancy process. Similarly, the lockdown and further subsequent restrictions resulted in the academy suspending all breakfast and after school clubs which are reliant on private (unrestricted) income from parents. Again, financial loss was partially mitigated by an Out of Schools Club employee being moved onto the Government's Job Retention Scheme.

Going forward it remains uncertain whether further lockdowns will happen or if childcare demand reduces significantly.

During the lockdown, the trust used the National Free School Meal voucher scheme to provide eligible families school dinners at home. Before the introduction of this scheme, the trust contributed £1.5k towards providing free meal vouchers during the early lockdown.

In September 2019, the Academy decided not to renew their financial contracts with the Local Authority's School Finance Team and instead have carried out the responsibilities, within these contracts, in-house. This includes full management of its finance system (changed from SAP to Access Education Finance), bank reconciliations and trial balance / year-end accounts preparation (prior to external audit / accountants' final processes).

In 2019/20, the Trustees of the Academy continued to adhere by the following policies relating to Financial management:-

- Terms of Reference - Financial Management / Schemes of Delegation
- Financial Procedures Manual
- Articles of Association
- Funding Agreement
- Charging Policy
- Academy Financial Handbook
- Accounts Direction

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £1,391,000 which has been carried forward to 2020/2021. It should be noted that this does not present a liquidity problem for the Trust and that the Trust is reviewing contributions to the pension scheme in order to see a reduction to the pension scheme in future years.

Reserves policy

The Finance Committee review reserve levels on an annual basis. The Trustees will ensure that the level of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of the General Annual Grant (GAG) income and other grants.

The following will be considered when reviewing reserve levels:

- Working capital requirements
- Contingencies to meet unforeseeable expenditure
- Funding of planned and specific future capital expenditure
- Capacity planning for future growth

During the period ending 31 August 2020, further extensive capital / renovation works, and asset procurement have taken place in-and-around the trust's buildings. This includes, but not limited to:

- The school kitchen was renovated with new flooring and catering equipment
- Our 'west-wing' Classrooms fitted with new carpets
- Early Years area fitted with new vinyl flooring, carpet, and an interactive touchscreen
- Installation of new seating areas in the play-yard
- New artificial grass play area created in Daycare garden
- New laptops purchased for every teacher to support planning

All the above expenditure has been funded by devolved capital income and contributions from trust revenue.

Free reserves are represented by the unrestricted funds balance as at 31st August 2020. This balance is: £226,585.

As at 31st August 2020, the level of Trust reserves held in restricted funds but available for general education purposes is £426,356, thus giving a net surplus of £652,941.

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to deposit or invest funds not immediately required for its own purposes, in any way the Governors see fit. The Trust currently operates interest bearing bank and a 30-day savings account but at present does not have any funds invested as at 31st August 2020.

Principal risks and uncertainties

The principal risks facing the Trust are centred on maintaining pupil numbers and the processes in which the Academies receive their primary source of income from the ESFA/DfE. The recently implemented National Funding Formula is a key area that is being strictly monitored, reviewed, and managed by the Trust to understand the financial implications and take action to address, if and when changes may arise.

Ofsted is expected to inspect both Barnwell Academy and the Daycare setting in 2020/21.

The uncertainty of the Covid-19 pandemic will also be closely monitored as it will have an impact on short-term income and expenditure levels going forward into 2020/21. This may include loss of income from trading activities, such as Daycare, breakfast club, after school clubs and lettings. Also, there is an expectation that increased expenditure levels will continue for the procurement of PPE and hygiene equipment / resources. Exceptional government funding has been received for the period ending 31 August 2020.

Going forward it remains uncertain whether further lockdowns will happen or if childcare demand reduces significantly.

The pandemic will continue to pose risks and uncertainty in many aspects of the trust's responsibilities including quality of teaching, safeguarding, health & safety, sustainability of extended services and staff absence.

Other risks that continue to be monitored are the skills of trustees and robust financial controls.
In addition, the trust is a member of the Local Government Pension Scheme (LGPS) which results in the recognition of a significant liability on the Trusts' balance sheet.

During the period there has been continued investment in the training and development of the leadership capacity within the Academy to ensure outcomes for pupils and school improvement remain high. The Headteacher undertook and completed The National Professional Qualification for Executive Leadership (NPQEL) course. The Business Manager has started a Level 7 Certificate in School Financial and Operational Leadership CIPFA course.

Staffing is stable and there is provision to cover items such as maternity and sickness absence. The Business Manager has worked closely with accountants, external auditors, and internal audit providers to ensure that financial systems are robust and secure.

Internal audits throughout the year have audited governance, accounting arrangements, income, and expenditure. Substantial assurance has been provided by internal audits that each of these areas has good controls and processes.

Trustees continue to robustly challenge Senior Management at all committee and termly meetings. Management reports are shared monthly with the Chair of Trustees, Chair of Finance Committee and Accounting Office and shared every with all trustees at least six times a year.

Financial and risk management objectives and policies

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. As with all schools, the majority of incoming monetary resources are Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Safeguarding and child protection – the trustees continue to ensure the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Covid-19 could be a significant factor in this risk.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Staffing - to achieve its objectives the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Covid-19 could be a significant factor in this risk.

Fraud and mismanagement of funds - The Academy continues to appoint an internal auditor to carry out termly checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Leadership and Management - Strategies to develop senior and middle leadership are in place. The development of leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement remain high.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Financial reports are issued to the Chair and Accounting Officer on a monthly basis.Trustees examine the financial health formally every term, reviewing performance against budget and overall expenditure by means of regular updates at the Full trustees and Finance committee meetings.

The trustees also regularly review cash flow forecasts and balance sheets, and ensure sufficient funds are held to cover all known and anticipated commitments.

Fundraising

Plans for future periods

The aims of the Trust remain to continue to provide outstanding education to young people. The development and review of strategic improvement plans continues to steer the direction of travel of the Trust. The current levels of reserves are being evaluated to ensure surplus funds are invested into resources (including buildings, equipment and staff training) to achieve maximum return and to meet our aims and objectives set out in our business plan.

In the next period, trustees will consider further investment in LED lighting and other environmental cosmetics in and around the trust site as well as new technology for pupils.

Covid-19 will continue to be an important aspect of the next period and will be actively monitored by trustees and senior management. Short-term budgets will factor in likely reductions in income streams as well as increases in expenditure.

Funds held as custodian trustee on behalf of others

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

Auditor
Insofar as the trustees are aware:

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

Azets (formerly Baldwins) were awarded a tender contract in February 2020 for the provision of External Audit Services covering the statutory audit and certification of accounts, together with preparation of the statutory financial statements. This contract will run for a minimum of three years with consideration of extending the contract for a further two years subject to satisfactory performance and the agreement of both parties.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 November 2020 and signed on its behalf by:

S Wharton
Chair

BARNWELL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

Governance
The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met ten times during the 12 month period. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Dimmock (Resigned 23 October 2019)	0	1
A Emmerson (Accounting Officer)	9	9
D C Smith (Resigned 23 October 2019)	1	1
D Hargrave	6	6
L Williams (Vice Chair) (Resigned 29 November 2019)	4	4
N Collinson (Resigned 4 May 2020)	6	6
S Wharton (Chair)	9	9
N Procter	6	8
C Armstrong (Resigned 7 October 2019)	2	2
D J Scaman (Appointed 29 November 2019)	5	5
K Bainbridge (Appointed 29 November 2019)	5	5
A Hall (Appointed 29 November 2019)	2	3

Governance reviews
The trust regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. The trust has employed the support of a School Improvement Team from Durham County Council to act as a School Improvement Partner (SIP). The SIP consists of a current Ofsted inspector as well as educational advisors who support with school self-evaluation, monitoring standards, performance and governance.

During 2019/20, the trust has carried out further governance reviews and have recruited highly skilled trustees with backgrounds in Commercial Health and Safety and Business Ownership to add depth to its current skills of Finance / Accountancy, Business Development and Specialist Education provision. The Trust is still seeking a Human Resources expert which will complete the skill set.

Persons with Significant Control (PSC)

During the period ending 31 August 2020, there were no persons with significant control.

Audit, Finance and Premises Committee
The Audit, Finance and Premises Committee is a sub-committee of the main board of trustees.

During the period ending 31 August 2020, the Chair of the Audit, Finance and Premises Committee changed from S Wharton to N Procter due to the latter having an extensive financial background and chartered accountant status. K Bainbridge, a qualified health and safety professional. joined the committee, as well as D Scaman, a local business owner.

Also, during the period ending 31 August 2020, C Armstrong, L Williams, S Dimmock and N Collinson all left the committee after their term ended (C Armstrong resigned due to work commitments).

The committee's purpose is to assist the decision making of the Trust by enabling more detailed consideration to be given, to ensure the sound management of the Trust's finances, staffing and resources including proper planning, monitoring and probity. The committee also monitors the systems of internal control, arrangements for risk management and ensuring value for money.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
N Procter (Chair)	3	3
A Emmerson (Accounting Officer)	3	3
S Wharton	3	3
L Williams	1	1
N Collinson	2	2
S Dimmock	0	1
C Armstrong	1	1
K Bainbridge	2	2
D Scaman	2	2
C Nellist (Associate Member)	3	3

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

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the 12-month period by:

- Effective project management of full school kitchen renovation delivered significantly within budget.
- Continued review of Service Level Agreements with the Business Manager to ensure they are fit for purpose and achieve value for money. School Finance contracts with the Local Authority have ceased and brought 'in-house' with expected savings year-on-year.
- Analysed all requested moderate to high-level spend had a strong rationale and was aligned to the school improvement plan prior to procurement. This included the procurement of new laptops to all teachers for improved planning and off-site work (when needed).
- Requested and analysed monthly reports on the impact of Covid-19 and provided updates to trustees.

The purpose of the system of internal control

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

Capacity to handle risk

The board of trustees 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 trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and continue to appoint Sunderland City Council as internal auditor.

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

- testing of governance arrangements
- testing of payroll systems
- testing of procurement systems and controls
- testing of income control and bank reconciliations

During the period ending 31st August 2020, the audit findings and subsequent reports provided substantial assurance that the Academy's controls and processes are robust. Two minor risks were highlighted and recommended for an action plan. These were:

- All employees to complete a Business and Pecuniary declaration form on an annual basis (instead of every two years for non-financial / decision making employees)
- Enhanced Independent check needed for credit card spending
-

Both minor risks were accepted, and action plans agreed to mitigate the risk.

Review of effectiveness

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

- the work of the internal auditor/reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the board of trustees on 18 November 2020 and signed on its behalf by:

A Emmerson
Accounting Officer

S Wharton
Chair

BARNWELL ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

A Emmerson
Accounting Officer

18 November 2020

BARNWELL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Barnwell Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 18 November 2020 and signed on its behalf by:

S Wharton
Chair

BARNWELL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNWELL ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Barnwell Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNWELL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARNWELL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Azets Audit Services

12 December 2020

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Statutory Auditor

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Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

BARNWELL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 16 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnwell Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Barnwell Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Barnwell Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barnwell Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Barnwell Academy Trust's funding agreement with the Secretary of State for Education dated 27 March 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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.

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

FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules

Conclusion

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

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: 12 December 2020

BARNWELL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	-	6,963	6,963	18,130
Charitable activities:						
- Funding for educational operations	4	14,554	1,320,459	-	1,335,013	1,316,972
Other trading activities	5	155,372	-	-	155,372	208,401
Investments	6	1,789	-	-	1,789	1,646
Total		171,715	1,320,459	6,963	1,499,137	1,545,149
Expenditure on:						
Raising funds	7	150,865	-	-	150,865	167,679
Charitable activities:						
- Educational operations	8	10,580	1,391,026	92,343	1,493,949	1,432,759
Total	7	161,445	1,391,026	92,343	1,644,814	1,600,438
Net income/(expenditure)		10,270	(70,567)	(85,380)	(145,677)	(55,289)
Transfers between funds	18	(4,480)	(42,542)	47,022	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(337,000)	-	(337,000)	(356,000)
Net movement in funds		5,790	(450,109)	(38,358)	(482,677)	(411,289)
Reconciliation of funds						
Total funds brought forward		220,795	(514,535)	3,340,403	3,046,663	3,457,952
Total funds carried forward		226,585	(964,644)	3,302,045	2,563,986	3,046,663

BARNWELL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds	Restricted funds: General	Restricted funds: Fixed asset	Total 2019
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	-	18,130	18,130
Charitable activities:					
- Funding for educational operations	4	23,203	1,293,769	-	1,316,972
Other trading activities	5	208,401	-	-	208,401
Investments	6	1,646	-	-	1,646
Total		233,250	1,293,769	18,130	1,545,149
Expenditure on:					
Raising funds	7	167,679	-	-	167,679
Charitable activities:					
- Educational operations	8	26,417	1,315,522	90,820	1,432,759
Total	7	194,096	1,315,522	90,820	1,600,438
Net income/(expenditure)		39,154	(21,753)	(72,690)	(55,289)
Transfers between funds	18	17,898	(56,789)	38,891	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(356,000)	-	(356,000)
Net movement in funds		57,052	(434,542)	(33,799)	(411,289)
Reconciliation of funds					
Total funds brought forward		163,743	(79,993)	3,374,202	3,457,952
Total funds carried forward		220,795	(514,535)	3,340,403	3,046,663

BARNWELL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**12**		1,330		2,780
Tangible assets	**13**		3,308,332		3,337,624
			3,309,662		3,340,404
Current assets					
Debtors	**14**	69,744		112,371	
Cash at bank and in hand		682,134		694,258	
		751,878		806,629	
Current liabilities					
Creditors: amounts falling due within one year	**15**	(100,109)		(181,753)	
Net current assets			651,769		624,876
Total assets less current liabilities			3,961,431		3,965,280
Creditors: amounts falling due after more than one year	**16**		(6,445)		(7,617)
Net assets before defined benefit pension scheme liability			3,954,986		3,957,663
Defined benefit pension scheme liability	**20**		(1,391,000)		(911,000)
Total net assets			2,563,986		3,046,663
Funds of the academy trust:					
Restricted funds	**18**				
- Fixed asset funds			3,302,045		3,340,403
- Restricted income funds			426,356		396,465
- Pension reserve			(1,391,000)		(911,000)
Total restricted funds			2,337,401		2,825,868
Unrestricted income funds	**18**		226,585		220,795
Total funds			2,563,986		3,046,663

The accounts on pages 30 to 53 were approved by the trustees and authorised for issue on 18 November 2020 and are signed on their behalf by:

S Wharton
Chair

Company Number 08929065

BARNWELL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Net cash provided by operating activities	21		41,897		211,539
Cash flows from investing activities					
Dividends, interest and rents from investments		1,789		1,646	
Capital grants from DfE Group		6,963		18,130	
Purchase of tangible fixed assets		(61,601)		(63,875)	
Net cash used in investing activities			(52,849)		(44,099)
Cash flows from financing activities					
Repayment of other loan		(1,172)		8,789	
Net cash (used in)/provided by financing activities			(1,172)		8,789
Net (decrease)/increase in cash and cash equivalents in the reporting period			(12,124)		176,229
Cash and cash equivalents at beginning of the year			694,258		518,029
Cash and cash equivalents at end of the year			682,134		694,258

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 the receipt is probable and it can be measured reliably.

1 Accounting policies **(Continued)**

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 3 years

1.6 Tangible fixed assets and depreciation

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

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

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

Land and buildings	50 years
Leasehold improvements	50 years
Computer equipment	3 years
Fixtures, fittings and equipment	5 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund.

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

1.7 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 of services it must provide.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1 Accounting policies **(Continued)**

1.9 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. 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. 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.

1.10 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.

1.11 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. 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 are recognised in the period to which they relate.

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

1 Accounting policies **(Continued)**

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	6,963	6,963	18,130

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	866,779	866,779	861,851
Other DfE group grants	-	185,531	185,531	123,328
	-	1,052,310	1,052,310	985,179
Other government grants				
Local authority grants	-	268,149	268,149	308,590
Other funding				
Catering income	11,354	-	11,354	18,472
Other incoming resources	3,200	-	3,200	4,731
	14,554	-	14,554	23,203
Total funding	14,554	1,320,459	1,335,013	1,316,972

Other DfE group grants includes the following:

	2020 £	2019 £
Pupil Premium	81,305	72,148
Universal Free Schools Meals	32,790	33,883
Teachers Pay Grant	13,416	8,902
Teachers Pension Grant	37,910	-
PE & Sports Grant	17,760	17,770
Other DfE grants	2,350	(9,375)
	185,531	123,328

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Lettings income	26,740	-	26,740	34,304
Catering income	1,544	-	1,544	2,270
Clubs and childcare income	104,691	-	104,691	78,421
Trips income	3,418	-	3,418	11,775
Other income	18,979	-	18,979	81,631
	155,372	-	155,372	208,401

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,789	-	1,789	1,646

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Non-pay expenditure Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	104,087	-	46,778	150,865	167,679
Academy's educational operations					
- Direct costs	800,336	-	69,512	869,848	829,560
- Allocated support costs	343,821	176,257	104,023	624,101	603,199
	1,248,244	176,257	220,313	1,644,814	1,600,438

Net income/(expenditure) for the year includes:	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,600	6,000
- Other services	2,100	2,500
- Fees payable to other auditors	2,220	2,664
Operating lease rentals	9,942	10,129
Depreciation of tangible fixed assets	90,893	89,370
Amortisation of intangible fixed assets	1,450	1,450
Net interest on defined benefit pension liability	16,000	10,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	-	869,848	869,848	829,560
Support costs				
Educational operations	10,580	613,521	624,101	603,199
	10,580	1,483,369	1,493,949	1,432,759

	2020 £	2019 £
Analysis of support costs		
Support staff costs	349,368	314,782
Depreciation and amortisation	92,343	90,820
Premises costs	83,914	86,555
Legal costs	571	1,710
Other support costs	81,722	83,197
Governance costs	16,183	26,135
	624,101	603,199

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	890,401	856,386
Social security costs	66,759	65,553
Pension costs	280,353	269,200
Staff costs - employees	1,237,513	1,191,139
Agency staff costs	10,731	7,770
	1,248,244	1,198,909
Staff development and other staff costs	9,586	8,879
Total staff expenditure	1,257,830	1,207,788

9 Staff (Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	16	15
Administration and support	28	29
Management	3	3
	47	47

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £213,019 (2019: £194,130).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

S Dimmock (staff)
Remuneration £nil (2019: £45,001 - £50,000)
Employer's pension contributions £nil (2019: £5,001 - £10,000)

D Smith (staff)
Remuneration £20,001 - £25,000 (2019: £20,001 - £25,000)
Employer's pension contributions £1 - £5,000 (2019: £1 - £5,000)

A Emmerson (headteacher)
Remuneration £65,001 - £70,000 (2019: £60,001 - £65,000)
Employer's pension contributions £15,001 - £20,000 (2019: £10,001 - £15,000)

11 Insurance for trustees and officers

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

12 Intangible fixed assets

	Computer software
	£
Cost	
At 1 September 2019 and at 31 August 2020	4,351
Amortisation	
At 1 September 2019	1,571
Charge for year	1,450
At 31 August 2020	3,021
Carrying amount	
At 31 August 2020	1,330
At 31 August 2019	2,780

13 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2019	3,056,170	599,710	48,309	56,256	3,760,445
Additions	-	43,880	6,058	11,663	61,601
At 31 August 2020	3,056,170	643,590	54,367	67,919	3,822,046
Depreciation					
At 1 September 2019	345,377	13,710	46,154	17,580	422,821
Charge for the year	63,762	12,975	2,539	11,617	90,893
At 31 August 2020	409,139	26,685	48,693	29,197	513,714
Net book value					
At 31 August 2020	2,647,031	616,905	5,674	38,722	3,308,332
At 31 August 2019	2,710,793	586,000	2,155	38,676	3,337,624

14 Debtors

	2020	2019
	£	£
Trade debtors	3,518	6,685
VAT recoverable	3,624	16,829
Other debtors	-	14,394
Prepayments and accrued income	62,602	74,463
	69,744	112,371

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other loans	1,172	1,172
Other taxation and social security	-	36,799
Other creditors	45,467	61,046
Accruals and deferred income	53,470	82,736
	100,109	181,753

16 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other loans	6,445	7,617

	2020	2019
Analysis of loans	£	£
Wholly repayable within five years	7,617	8,789
Less: included in current liabilities	(1,172)	(1,172)
Amounts included above	6,445	7,617
Loan maturity		
Debt due in one year or less	1,172	1,172
Due in more than one year but not more than two years	1,172	1,172
Due in more than two years but not more than five years	3,516	3,516
Due in more than five years	1,757	2,929
	7,617	8,789

Included in other loans is a salix interest free loan, repayable by 2026.

17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	26,867	25,417
Deferred income at 1 September 2019	25,417	20,736
Released from previous years	(25,417)	(20,736)
Resources deferred in the year	26,867	25,417
Deferred income at 31 August 2020	26,867	25,417

Deferred income includes universal free school meals, daycare fees and rates relief funding received for the next academic year.

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	396,465	866,779	(794,346)	(42,542)	426,356
Other DfE / ESFA grants	-	185,531	(185,531)	-	-
Other government grants	-	268,149	(268,149)	-	-
Pension reserve	(911,000)	-	(143,000)	(337,000)	(1,391,000)
	(514,535)	1,320,459	(1,391,026)	(379,542)	(964,644)
Restricted fixed asset funds					
Inherited on conversion	2,832,383	-	(63,762)	-	2,768,621
DfE group capital grants	431,646	6,963	(13,965)	(7,617)	417,027
Capital expenditure from GAG	76,374	-	(14,616)	54,639	116,397
	3,340,403	6,963	(92,343)	47,022	3,302,045
Total restricted funds	2,825,868	1,327,422	(1,483,369)	(332,520)	2,337,401
Unrestricted funds					
General funds	220,795	171,715	(161,445)	(4,480)	226,585
Total funds	3,046,663	1,499,137	(1,644,814)	(337,000)	2,563,986

18 Funds **(Continued)**

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants includes PE grant, pupil premium and universal free school meals funding.

Other government grants include funding for pupils with special educational needs, early years funding, pupil premium and other grants from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent Devolved Formula Capital. This has been used on capital projects in the financial year.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £652,941 at 31 August 2020.

18 Funds (Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	331,007	861,851	(739,604)	(56,789)	396,465
Other DfE / ESFA grants	-	123,328	(123,328)	-	-
Other government grants	-	308,590	(308,590)	-	-
Pension reserve	(411,000)	-	(144,000)	(356,000)	(911,000)
	(79,993)	1,293,769	(1,315,522)	(412,789)	(514,535)
Restricted fixed asset funds					
Transfer on conversion	2,896,145	-	(63,762)	-	2,832,383
DfE group capital grants	425,401	18,130	(11,885)	-	431,646
Capital expenditure from GAG	52,656	-	(15,173)	38,891	76,374
	3,374,202	18,130	(90,820)	38,891	3,340,403
Total restricted funds	3,294,209	1,311,899	(1,406,342)	(373,898)	2,825,868
Unrestricted funds					
General funds	163,743	233,250	(194,096)	17,898	220,795
Total funds	3,457,952	1,545,149	(1,600,438)	(356,000)	3,046,663

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	-	-	1,330	1,330
Tangible fixed assets	-	-	3,308,332	3,308,332
Current assets	232,087	519,791	-	751,878
Creditors falling due within one year	(5,502)	(93,435)	(1,172)	(100,109)
Creditors falling due after one year	-	-	(6,445)	(6,445)
Defined benefit pension liability	-	(1,391,000)	-	(1,391,000)
Total net assets	226,585	(964,644)	3,302,045	2,563,986

19 Analysis of net assets between funds **(Continued)**

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	2,780	2,780
Tangible fixed assets	-	-	3,337,624	3,337,624
Current assets	224,110	503,018	79,501	806,629
Creditors falling due within one year	(3,315)	(106,553)	(71,885)	(181,753)
Creditors falling due after one year	-	-	(7,617)	(7,617)
Defined benefit pension liability	-	(911,000)	-	(911,000)
Total net assets	220,795	(514,535)	3,340,403	3,046,663

20 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 South Tyneside Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

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.

20 Pension and similar obligations **(Continued)**

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- 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 the TPS in the period amounted to £89,558 (2019: £59,439).

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 contributions are as noted below. The agreed contribution rates for future years are 16.4 - 16.7% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	**2020**	**2019**
	£	**£**
Employer's contributions	77,000	78,000
Employees' contributions	27,000	28,000
Total contributions	104,000	106,000

Principal actuarial assumptions	**2020**	**2019**
	%	**%**
Rate of increase in salaries	3.7	3.5
Rate of increase for pensions in payment/inflation	2.2	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2

20 Pension and similar obligations **(Continued)**

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.9
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.5	23.6
- Females	26.8	26.9

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £	2019 £
Discount rate + 0.1%	3,114,000	2,566,000
Discount rate - 0.1%	3,297,000	2,710,000
Mortality assumption + 1 year	3,092,000	2,550,000
Mortality assumption - 1 year	3,319,000	2,725,000
CPI rate + 0.1%	3,284,000	2,677,000
CPI rate - 0.1%	3,127,000	2,598,000

The academy trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	969,955	1,130,530
Government bonds	43,512	70,766
Corporate bonds	415,177	196,764
Cash	34,447	36,246
Property	166,796	148,436
Other assets	183,113	143,258
Total market value of assets	1,813,000	1,726,000

The actual return on scheme assets was £(1,000) (2019: £110,000).

20 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	204,000	141,000
Past service cost	-	71,000
Interest income	(34,000)	(44,000)
Interest cost	50,000	54,000
Total operating charge	220,000	222,000

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	2,637,000	1,938,000
Current service cost	204,000	141,000
Interest cost	50,000	54,000
Employee contributions	27,000	28,000
Actuarial loss	302,000	422,000
Benefits paid	(16,000)	(17,000)
Past service cost	-	71,000
At 31 August 2020	3,204,000	2,637,000

Changes in the fair value of the academy trust's share of scheme assets	2020 £	2019 £
At 1 September 2019	1,726,000	1,527,000
Interest income	34,000	44,000
Actuarial loss/(gain)	(35,000)	66,000
Employer contributions	77,000	78,000
Employee contributions	27,000	28,000
Benefits paid	(16,000)	(17,000)
At 31 August 2020	1,813,000	1,726,000

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

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(145,677)	(55,289)
Adjusted for:		
Capital grants from DfE and other capital income	(6,963)	(18,130)
Investment income receivable	(1,789)	(1,646)
Defined benefit pension costs less contributions payable	127,000	134,000
Defined benefit pension scheme finance cost	16,000	10,000
Depreciation of tangible fixed assets	90,893	89,370
Amortisation of intangible fixed assets	1,450	1,450
Decrease/(increase) in debtors	42,627	(1,282)
(Decrease)/increase in creditors	(81,644)	53,066
Net cash provided by operating activities	41,897	211,539

22 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	694,258	(12,124)	682,134
Loans falling due within one year	(1,172)	-	(1,172)
Loans falling due after more than one year	(7,617)	1,172	(6,445)
	685,469	(10,952)	674,517

23 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	10,030	10,030
Amounts due in two and five years	924	10,954
	10,954	20,984

24 Capital commitments

	2020	2019
	£	£
Expenditure contracted for but not provided in the accounts	2,362	-

25 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

26 Members' liability

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