
SIR THOMAS FREMANTLE SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Christopher Brown Glenn Smith Helene Khan Jacqueline Leach-Dove Jill Bailey
Trustees	Neale Pledger, Headmaster and Accounting Officer Jill Bailey John Chilver Paul Brown, Chair Richard Clark (resigned 31 December 2019) Martin Osborne Matthew Owens Emma Bramley James Richardson (appointed 1 September 2019) Ann Mcguigan (appointed 1 September 2019) Natasha Thiebaut (appointed 1 September 2019) Andrew Jones (appointed 18 September 2020)
Company registered number	07955870
Company name	Sir Thomas Fremantle School
Principal and registered office	Buckingham Road Winslow Buckinghamshire MK18 3GH
Senior leadership team	Neale Pledger, Headmaster and Accounting Officer Emma Windsor, Business Manager Leah Martindale, Senior Assistant Head Kayleigh Shaw, Assistant Head Andrew Simpson, Assistant Head Nicholas O'Connell, Assistant Head Matthew Pike, Head of Sixth Form Katie Owens, SENDco Mat Payne, Director of Learning Leads
Independent auditors	Hillier Hopkins LLP Chartered Accountants Statutory Auditor 51 Clarendon Road Watford Herts WD17 1HP

SIR THOMAS FREMANTLE SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 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.

Structure, governance and management

a. Constitution

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

The Trustees of Sir Thomas Fremantle School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Sir Thomas Fremantle School.

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

b. Members' liability

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

c. Trustees' indemnities

The Trustees benefit from indemnity insurance purchased by the Academy to cover the liability of the Trustees arising from negligent acts, errors or omissions occurring whilst on Academy business. The limit of this indemnity is £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There is a Trustee training day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. New Trustees have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

The Governing Body normally meets once each term as a full Governing body and additionally as the various sub-committees. During the year covered by this Governors Report, the Coronavirus restrictions and lockdowns presented challenges in the organisation of Governing Body meetings, which largely moved to video conferencing.

The Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees of the Governing Body and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 6 Committees of the Governing Body as follows:

- Finance and Audit
- HR and Student Welfare
- Teaching and Learning
- Student Welfare & Safeguarding
- Sixth Form
- Infrastructure

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Governing Body:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair;
- to appoint and / or consider the performance management of the Headteacher; and
- to appoint the Company Secretary.

During the year covered by this Governors Report a 'School Resilience Report' was prepared by an external adviser on behalf of the Education and Skills Funding Agency. That report recommended streamlining the Governance arrangements and reducing the number of sub-committees. The Trustees intend to follow those recommendations.

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

The Trustees have devolved the day-to-day management of the Academy to the Headteacher and the Senior Leadership Team ('SLT'). The SLT comprises the Headmaster, Assistant Heads, Head of 6th Form, Business Manager and SENCo. The SLT implement the policies laid down by the Trustees and report back to them on performance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

Performance management is carried out by members of the Senior Leadership Team, Directors of Studies, and subject leaders. The performance management of the Assistant Heads and School Business Manager are carried out by the Headmaster. The Headmaster's performance management is carried out by members of the Finance and Audit sub-committee with objectives linked to the school development. All teaching staff have three performance targets, two which relate to the Teachers' Standards, and one which is linked to Continuing Professional Development. Performance reviews follow the school's performance management policy and pay, and additional allowance recommendations are made in line with this and the school's pay policy. The school awards pay in line with national pay scales providing the financial position of the school enables it to do so.

Objectives and activities

a. Objects and aims

The principal object of the Academy, as set out in its Articles of Association, is to:

- Advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum.

The aims of the Academy during the period ended 31 August 2020 are summarised below:

- To ensure the school continues to be the school of choice for local families.
- To continue to offer a safe, challenging and inspiring environment to our students and to our staff.
- To ensure the highest quality of teaching and learning across the school.
- To pursue the highest possible academic attainment and progress at GCSE and A levels.
- To ensure that the school continues to attract high quality, well qualified and suitably experienced staff.
- To ensure the resources are in place to teach a broad and balanced curriculum.
- To continue to develop the range of extra-curricular opportunities available to students.
- To develop the school's role in supporting the training of teachers through local SCITT providers.
- To maintain and develop the school's place as a valued partner within the Milton Keynes SCITTs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the period are contained in the Academy's Development Plan which is available from the Headmaster.

The main activities of the Academy for the period ended 31 August 2020 were as follows:

Leadership and Management

In response to our Ofsted report in December 2018, the school leadership team appointed three Assistant Heads who were previously Director of Studies. The aim was to distribute leadership and management responsibility.

Student Achievement

Year 11 GCSE Results
Headline figures

	School
Progress 8 score	N/A
Grade 4 in English and Mathematics	72%
Grade 5 in English and Mathematics	53%
EBacc at Grade 4	51%
EBacc at Grade 5	33%%

Year 13 A level Results
Headline figures

	School
Level 3 value added	N/A
Grade A* - A	15%
Grade A* - B	31%
Grade A* - C	55%

Additional Detail

Due to the Coronavirus epidemic examinations could not be held in the summer term of 2020. Grades were awarded nationally based on the best of either the national algorithm or the teacher's predicted grades. Therefore these outcomes were in line with our expectations of the students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Teaching and Learning

The school have and continues to undertake a significant review of the curriculum we offer. We recognise the need to freshen our curriculum offer and make modifications to the subjects we select. Teaching and Learning continues to be a significant strength of the school and we look forward to evolving subjects in the future that meet the changing needs of our students.

We continue to operate a genuine open door policy and provide time and opportunity for collaboration and review of teachers by their colleagues. Staff training days continue to be led by our own staff and allow opportunity to share a range of good practice.

Additionally, our own teaching staff are constantly challenged to provide enjoyable, engaging and challenging lessons in which all students can develop a love for life long learning.

Behaviour and Safety

The school has worked hard to maintain its reputation as a school where behaviour and safety are exemplary and seen as such by all members of our school community. The school has retained its focus on safe use of the internet and social media and has worked with a number of outside agencies to ensure that students and parents are aware of the dangers presented to young people. Within school, the focus still remains on maintaining a high level but self-regulating standard of behaviour where adherence is seen as for the common benefit rather than in response to sanction..

Sixth Form

The Sixth Form opened in 2017 initially with 40 pupils on role and has subsequently expanded to 111 pupils enrolled in September 2020.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Key performance indicators

The total number of students on roll for the period 1 September 2019 to 31st August 2020 was 562.

Ofsted carried out a short inspection on the 11th December 2018 and confirmed the school continues to be good. The visit was the first short inspection carried out since the school was judged to be good in May 2015.

Student achievements can be found in Objectives, strategies and activities section.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

The Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the immediate future following a review of its resources. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 3 to the Financial Statements.

Financial review

a. Reserves policy

The Trustees regularly review the reserve levels of the Academy. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy's current level of Reserves (defined as Restricted general funds, excluding the pension fund deficit, plus the balance on Unrestricted funds) is £12,518,898 (2019 - £12,924,143).

Of that total The Academy's Unrestricted Funds, which are often referred to as 'Free Reserves', show a deficit of £195,132 (2019 - deficit £90,743). The background and reasons for this deficit are explained in the 'Review of The Year' and 'Financial Results for the Year' sections below.

At the year end the Restricted Funds comprised the Fixed Asset fund of £12,714,030 (2019 - £13,014,886 which exactly matches the fixed assets and the Pension Reserve which was in deficit to the tune of £360,000 (2019 - deficit £198,000). This exactly matches the Defined Benefit pension scheme liability.

Although the Academy has not set an explicit policy for the level of Reserves it requires it recognises the need to eliminate the deficit on Free Reserves referred to above and build a level of Free Reserves and also Restricted General Funds appropriate to the size of the school and the risks it faces.

The Trustees have determined that an appropriate level of cash should be held to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

b. Investment policy

Any funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk. In practice, the returns on invested funds are negligible.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

c. Principal risks and uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial and Going concern

The Academy has almost total reliance on continued Government funding through the ESFA. In the period, approximately 90.4% of the Academy's incoming resources was ultimately 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.

During the year a loan of £450,000 was advanced by the ESFA to the Academy and that loan was outstanding at the year end. If the ESFA demanded repayment of that loan in the short term then the Academy would be unable to continue as a going concern. This matter is referred to more fully in note 3.

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, the TRustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that 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.

Staffing

The success of the Academy is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness.

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TRUSTEES' REPORT (CONTINUED)
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d. Financial Management policy

The Business Manager in conjunction with the Accounting Officer prepares budgets annually and those budgets are reviewed and approved by the Trustees.

Monthly Management Accounts and updated projected cash flows for the year are prepared by the Business Manager and are reviewed against the annual budget. The management accounts and forecasts are monitored by the Accounting Officer and the Trustees at the regular Finance and Audit sub-committee meetings.

The Trustees have recognised the need to increase the financial management resources and skills available to the Academy at both Staff and Trustee Level. In response Andrew Jones was appointed as a Trustee towards the end of the year and, following the year end, an additional staff member was recruited to support the Business Manager.

e. Review of the Year

The year to 31 August 2020 has been extremely financially challenging for the Academy.

The Academy's Unrestricted Income funds, often referred to as Free Reserves, which at 31 August 2018 had stood at £109,034, had been completely eliminated during the year ended 31 August 2019 and at the start of the financial year the Academy's Free Reserves stood at a deficit of £90,743, and the Academy had only £45,000 of cash available. This deterioration in the level of Free Reserves, and cash, reflected an unsustainably high level of ongoing expenditure compared to the level of grant income receivable. In response, the Academy sought cost-saving measures. Long-term contracts and commitments entered into in previous financial years has meant savings were difficult to achieve in the short term.

In order to set a break-even budget for the year to 31 August 2020 and ensure the Academy had sufficient cash to operate during the year the decision was taken not to include any salary increases for progression through the salary scales. However, the budget did include provision for the government recommended general increases in salary scales, which ensured that all teaching staff received a salary increase in the year.

The finances of the school initially progressed broadly in line with the agreed budget. However, in January 2020 the school were informed by the ESFA that their General Grant was going to be some £90,000 lower than budget as the Academy was being moved onto "Lagged" funding, a system whereby a school is funded based on the number of pupils on role at the October census date in the previous financial year. This system would replace the "Estimated" funding regime previously applied to the school, whereby funding is based on the number of pupils on role in the October census date in the current financial year. The School were informed that this change was because the School had now reached its "Published Admissions Number" (PAN). In fact, the School had previously agreed a revised PAN with the ESFA but the relevant department within the ESFA appears not to have processed it. This change in funding method is being vigorously challenged by the Academy. The lagged funding model is not appropriate for a school such as Sir Thomas Fremantle School, which is growing its pupil numbers as, in effect; it requires the school to educate more children than it is receiving funding for.

The Coronavirus epidemic struck in the Spring of 2020 and the first lockdown required the closure of schools for all but key-worker children from 20 March. This closure and the ongoing negative impact of the Coronavirus epidemic significantly affected the finances of the Academy. Although the ESFA and other educational grant income continued to be received by the Academy, most other sources of income such as lettings of the school facilities to third parties and school canteen income all stopped being received. Furthermore, the Academy had to incur expenditure to make the school as "covid-safe" as possible for the eventual return to school in September 2020. Limited ESFA grants were available to cover some costs, exam fees were reduced, and some facilities staff were placed on furlough.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The cumulative impact of commencing the year with a deficit on Free Reserves and a cash balance of only £45,000 followed by the unexpected, and disputed, reduction in ESFA funding along with the impact of the Coronavirus pandemic resulted in the Academy exhausting its working capital by the summer of 2020. Negotiations with the ESFA to resolve this funding crisis and provide working capital resulted in the ESFA permitting the Academy to retain as a loan a £450,000 VAT refund on the school building collected by the Academy earlier in the year, and which would ordinarily have been immediately repayable to the Dfe. The repayment terms for this loan have yet to be agreed with the ESFA and accordingly is shown in the balance sheet as a current liability.

Alongside these negotiations the ESFA appointed an external School Report Management Adviser to prepare a "Resilience Report" on the operation and finances of the Academy. The report was received in December 2020 and its recommendations are in the process of being acted upon by the Academy.

f. Financial Results for the Year and position at the Year end

As explained above 2020 has been a challenging year. The final outcome for the year is set out in detail in this Annual Report and Financial Statements in particular in the Statement of Financial Activities and accompanying notes.

The principal source of funding during for the Academy were grants from the Education and Skills Funding Agency, based on pupil numbers and, to a minor extent grants from the local education authority in respect of Pupil Premium and Special Educational Needs. All grants were spent on meeting the educational needs of our pupils. In addition, the school received some income from letting the premises to third parties and also catering income from operating a canteen. Such sources of income were severely impacted by the impact of the Coronavirus epidemic and school closures implemented as part of the Spring 2020 Lockdown.

The overall result for the year and the reserves position brought forward and carried forward is as follows;

	Restricted Funds		
	Unrestricted Funds	Pension Reserve	Fixed Asset Funds
	£	£	£
Brought Forward 2019	(90,743)	(198,000)	13,014,886
Result for the Year 2020	(104,389)	(162,000)	(300,856)
Carried Forward 2020	(195,132)	(360,000)	12,714,030

Commentary on Result for Year and Carried Forward balances

Unrestricted Funds

The unrestricted fund represents everything other than fixed assets and the complex accounting for defined benefit pension schemes.

As referred to above a deficit was brought forward into the current year. Although a break-even budget was set for 2020 the combined impact of the ESFA changing our funding basis and thereby reducing our grant income by some £90,000, plus the impact of the Coronavirus pandemic has resulted in a deficit for the year of £104,389. This deficit is an improvement over 2019 when the deficit for the year was £199,777 reflecting the implementation of cost saving measures.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Restricted Funds

The deficit on the Pension Reserve is equal to the defined benefit pension scheme liability.

The Restricted Fixed Asset Funds comprises the property and all other equipment and assets. The movement for the year comprises the depreciation on those assets plus the additions to those assets

The year end financial position is set out in detail in the balance sheet and accompanying notes. The loan of £450,000 is included in the balance sheet as a current liability and in note 18 within other creditors. The cash balance of £350,235 at the year-end reflects the benefit of this loan.

The balance sheet includes a Defined Benefit Pension Scheme deficit of £360,000 in respect of the Local Government Pension Scheme. This does not represent a liability that immediately needs to be settled, instead it will be met through future pension scheme contributions payable over a long period. However, it is recognised that this deficit has been increasing significantly in recent years and the Trustees are aware that pension scheme contributions are likely to increase in the future.

The Senior Management Team and the Trustees recognise the urgent need to increase the income of the Academy and reduce costs. One example of the changes now being made is the closure of the Gymnasium, once staff costs were taken into account the Gymnasium was running at a loss even before the impact of the Coronavirus epidemic. The space it occupied is now being re-configured into a 6th form common room which in turn frees up two classrooms allowing us to increase pupil numbers when plans have been agreed. Such changes involve up-front costs, some of which are significant, in this example, the lease for the Gym equipment had to be terminated and a lump sum paid. The loan from the ESFA has provided the flexibility to meet such costs and invest for the future.

Fundraising

Fundraising events held throughout the year including non-uniform days.

Plans for future periods

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- Continue to recruit the maximum number of students up to the PAN
- Ensure that the quality of new staff remains high
- To ensure that the three curriculum areas of core, extended and community are embedded

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 28 January 2021 and signed on its behalf by:



.....
Paul Brown
Chair of Trustees

SIR THOMAS FREMANTLE SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of 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 Sir Thomas Fremantle School 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.

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GOVERNANCE STATEMENT (CONTINUED)

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 3 times during the year.

There are currently six sub committees that also meet at least once a term, in the academic year 19/20 the subcommittees met 9 times.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Neale Pledger, Headmaster and Accounting Officer	6	7
Jill Bailey	4	5
John Chilver	5	6
Paul Brown, Chair	10	10
Richard Clark	2	3
Martin Osborne	4	6
Matthew Owens	6	7
Emma Bramley	10	10
James Richardson	5	8
Ann Mcguigan	7	7
Natasha Thiebaut	4	6

Board of Trustees

There was a recruitment process for three new members of the Board of Trustees who joined in September 2019. Two new staff Governors also joined at this time. We now have a full Board of Trustees with a wide range of experience, skills and qualifications. We have undertaken a review of the structure and membership of the Board subcommittees to ensure they remain relevant and appropriate, and the outcome of this review will be implemented during the current year. There is internal and external training for all Board members, and all are required to complete a skills audit and declaration of interests. Board members regularly attend school visits and submit reports following their visit. The Headmaster's Report, Chairman's Report and reports from the Subcommittees are standing agenda items at all Board meetings. The Board is confident that it has been provided with the skills and information required to carry out its responsibilities over the course of the year.

Evaluation and review

There is a formal review at the end of each meeting which is included as a standing agenda item. All Governors are asked to confirm that the meeting has been conducted in an open manner, and that all governors have been able to participate and contribute to discussions. In addition, reflections on the performance and effectiveness of the Board and suggestions for improvement are regularly included in the Chairman's report to the Board. The review and evaluation of the governing body was also included as part of the external OFSTED inspection. There will be a review of the effectiveness and structure of the Board subcommittees undertaken this year.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- the economic, efficient and effective use of all resources to improve educational results;
- the avoidance of waste and extravagance;
- the prudent and economical administration of our academy trust;
- the establishment and maintenance of financial governance, including robust controls on expenditure, keeping and reporting of up to date financial records, continuous financial monitoring and reporting to all concerned parties;
- value for money in all financial transactions.

We use a system where a member of the Senior Management Team (SLT) must authorise each and every order and payment. One member of staff raises an order on our accounting software, the subject lead authorises the order and a member of SLT signs off the payment once approved. This increased level of oversight ensures a reduced level of possibility of error, etc. taking place;

Currently, each department operates on a 'zero budget' basis meaning that ALL proposed spending across all subject and wider curriculum areas are treated in the same way. Experience shows that where staff teams are given specific budgets, for some this falls short of requirement whilst for others it can encourage unnecessary spending as year-end approaches. As a growing school, we are aware that there are inevitable one-off capital expenses within most departments and we are careful to ensure that these are purchased at the most beneficial cost.

Strict levels of authorisation are in place for the approval of orders. Only a member of our senior leadership team may authorise individual orders over £1,000, and only the Headmaster has authority for those over £1,000 and up to £9,999. All orders of £10,000 and above are subject to a formal tendering process in compliance with relevant legislation.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Sir Thomas Fremantle School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy 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's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of 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
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor.

Contrary to the Academies Financial Handbook 2019 Part 3, the Academy Trust has not implemented a programme of internal scrutiny to provide independent assurance to the Board that systems and controls are effective and compliant for the financial year ended 31 August 2020. This decision was made because the Coronavirus epidemic resulted in external visitors to the school being kept to a minimum and also because existing finance staff's time was fully taken up addressing the funding difficulties the school faced and dealing with issues arising from the Coronavirus school closures.

Review of effectiveness

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

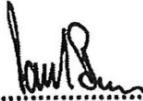
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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



.....
Paul Brown
Chair of Trustees
Date: 28 January 2021



.....
Neale Pledger
Accounting Officer

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

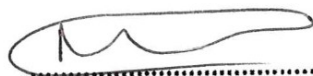
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

Contrary to the Academies Financial Handbook 2019 Part 3, the academy trust has not implemented a programme of internal scrutiny to provide independent assurance to the Board that systems and controls are effective and compliant for the financial year ended 31 August 2020.

I confirm that no other 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.



.....
Neale Pledger
Accounting Officer
Date: 28 January 2021

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

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

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

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

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

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 financial statements may differ from legislation in other jurisdictions.

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



.....
Paul Brown
Chair of Trustees

Date: 28 January 2021

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR THOMAS FREMANTLE SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that which details the concern around the Academy's ability to continue as a going concern. The Academy made a net deficit on restricted and unrestricted funds before actuarial losses on defined benefit pension schemes of £494,245 during the year ended 31 August 2020. At that date the Academy's unrestricted reserves were in deficit by £195,131. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR THOMAS FREMANTLE SCHOOL (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR THOMAS FREMANTLE SCHOOL (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
51 Clarendon Road

Watford
Herts
WD17 1HP

Date: 28th January 2021

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIR THOMAS FREMANTLE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 July 2019 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 Sir Thomas Fremantle School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sir Thomas Fremantle School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sir Thomas Fremantle School 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 Sir Thomas Fremantle School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sir Thomas Fremantle School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sir Thomas Fremantle School's funding agreement with the Secretary of State for Education dated 13 August 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIR THOMAS FREMANTLE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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

Contrary to the Academies Financial Handbook 2019 Part 3, the academy trust has not implemented a programme of internal scrutiny to provide independent assurance to the Board that systems and controls are effective and compliant for the financial year ended 31 August 2020.



Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 28th January 2021

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	5	-	-	13,129	13,129	32,634
Charitable activities	6	168,884	2,824,130	-	2,993,014	3,014,307
Other trading activities	7	35,023	-	-	35,023	62,451
Investments	8	138	-	-	138	103
Total income		204,045	2,824,130	13,129	3,041,304	3,109,495
Expenditure on:						
Charitable activities	9	167	3,227,049	308,333	3,535,549	3,482,891
Total expenditure		167	3,227,049	308,333	3,535,549	3,482,891
Net income/(expenditure)		203,878	(402,919)	(295,204)	(494,245)	(373,396)
Transfers between funds	19	(308,267)	313,919	(5,652)	-	-
Net movement in funds before other recognised gains/(losses)		(104,389)	(89,000)	(300,856)	(494,245)	(373,396)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(73,000)	-	(73,000)	(75,000)
Net movement in funds		(104,389)	(162,000)	(300,856)	(567,245)	(448,396)

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Reconciliation of funds:					
Total funds brought forward	(90,743)	(198,000)	13,014,886	12,726,143	13,174,539
Net movement in funds	(104,389)	(162,000)	(300,856)	(567,245)	(448,396)
Total funds carried forward	<u><u>(195,132)</u></u>	<u><u>(360,000)</u></u>	<u><u>12,714,030</u></u>	<u><u>12,158,898</u></u>	<u><u>12,726,143</u></u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 55 form part of these financial statements.

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07955870

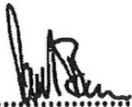
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	12,714,030	13,014,886
Current assets			
Stocks	16	2,525	3,624
Debtors	17	63,602	68,088
Cash at bank and in hand		350,325	45,321
		<u>416,452</u>	<u>117,033</u>
Creditors: amounts falling due within one year	18	<u>(611,584)</u>	<u>(207,776)</u>
Net current liabilities		(195,132)	(90,743)
Total assets less current liabilities		12,518,898	12,924,143
Defined benefit pension scheme liability	26	(360,000)	(198,000)
Total net assets		12,158,898	12,726,143
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	12,714,030	13,014,886
Restricted funds excluding pension asset	19	12,714,030	13,014,886
Pension reserve	19	(360,000)	(198,000)
Total restricted funds	19	12,354,030	12,816,886
Unrestricted income funds	19	(195,132)	(90,743)
Total funds		12,158,898	12,726,143

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07955870

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 25 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Paul Brown
Chair of Trustees
Date: 28 January 2021

The notes on pages 30 to 55 form part of these financial statements.

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	21	(165,710)	<i>(12,289)</i>
Cash flows from investing activities	23	20,714	<i>9,610</i>
Cash flows from financing activities	22	450,000	-
Change in cash and cash equivalents in the year		305,004	<i>(2,679)</i>
Cash and cash equivalents at the beginning of the year		45,321	<i>48,000</i>
Cash and cash equivalents at the end of the year	24, 25	350,325	<i>45,321</i>

The notes on pages 30 to 55 form part of these financial statements

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Sir Thomas Fremantle School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

Despite a material uncertainty existing regarding the repayment of the ESFA loan the Board of Trustees nevertheless has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the immediate future as explained more fully in note 3. The Trustees have therefore continued to adopt the going concern basis in preparing these financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **Other income**

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

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Furniture and equipment	-	20% straight line
Plant and machinery	-	20% straight line
Computer equipment	-	33% straight line

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Stocks

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

SIR THOMAS FREMANTLE SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

2. General information

Sir Thomas Fremantle School is an Academy School and is a charitable company limited by guarantee incorporated in England and Wales.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Going Concern

Further background on the financial impact of events during the year and the financial position of the Academy at the year-end is set out in the Trustees Report.

During the year the ESFA permitted the Academy to retain a £450,000 VAT refund as a loan to meet ongoing working capital requirements. At the year end the Academy had cash resources of £350,000.

The ESFA have not yet set out any repayment terms for that loan but have made it clear that repayment will be required at some stage. Following a recent meeting with the ESFA they have informed the Academy in writing that in the light of the Trust's deficit and cash flow issues immediate repayment in full would not be requested but that they would continue to support the Trust to recover its financial position and agree a repayment plan in 2021.

A cash flow forecast covering the period up to 31 August 2022 has been prepared and considered by the Trustees which demonstrates that providing the ESFA continue to fund education at the school on the basis applied in 2019/20, and do not request repayment of the loan during that period, the Academy can meet its financial obligations as they fall due during the period of that forecast

The Trustees have therefore determined that it is appropriate to prepare the financial statements on a going concern basis. However, a material uncertainty exists in this regard since any early repayment of the loan demanded by the ESFA, without replacement by a similar facility would result in the Academy no longer being a going concern.

4. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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4. Critical accounting estimates and areas of judgment (continued)

Critical areas of judgment:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

The decision to prepare these financial statement on a going concern basis as explained in note 3 was similarly a critical area of judgment.

5. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £
Capital Grants	13,129	13,129
	<hr/> <hr/>	<hr/> <hr/>
	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Capital Grants	32,634	32,634
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Funding for the Academy's educational activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,501,993	2,501,993
Pupil premium	-	56,028	56,028
Other DfE/ESFA grants	-	148,175	148,175
	-	2,706,196	2,706,196
Other government grants			
SEN Income	-	86,863	86,863
Other government grants	-	6,835	6,835
	-	93,698	93,698
Other funding			
Trip income	47,254	-	47,254
Insurance grant	-	8,060	8,060
Catering Income	62,023	-	62,023
Journey Income	48,142	-	48,142
Other income	11,465	8,339	19,804
	168,884	16,399	185,283
Exceptional government funding			
Coronavirus job retention scheme grant	-	7,837	7,837
	168,884	2,824,130	2,993,014

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NOTES TO THE FINANCIAL STATEMENTS
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6. Funding for the Academy's educational activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,487,136	2,487,136
Pupil premium	-	60,463	60,463
Other DfE/ESFA grants	-	35,808	35,808
Start up grants	-	45,000	45,000
	-	2,628,407	2,628,407
Other government grants			
SEN income	-	86,756	86,756
Other government grants	-	8,605	8,605
	-	95,361	95,361
Other funding			
Trip income	112,876	-	112,876
Insurance grant	-	3,032	3,032
Catering income	87,164	-	87,164
Journey Income	41,459	-	41,459
Other income	20,231	25,777	46,008
	261,730	28,809	290,539
	261,730	2,752,577	3,014,307

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings income	<u>35,023</u>	<u>35,023</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Lettings income	<u>62,451</u>	<u>62,451</u>

8. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Interest received	<u>138</u>	<u>138</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Interest received	<u>103</u>	<u>103</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational activities:				
Direct costs	2,259,544	-	165,253	2,424,797
Allocated support costs	447,146	330,646	332,960	1,110,752
Total 2020	<u><u>2,706,690</u></u>	<u><u>330,646</u></u>	<u><u>498,213</u></u>	<u><u>3,535,549</u></u>
	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Educational activities:				
Direct costs	1,970,955	-	273,814	2,244,769
Allocated support costs	438,456	398,415	401,251	1,238,122
<i>Total 2019</i>	<u><u>2,409,411</u></u>	<u><u>398,415</u></u>	<u><u>675,065</u></u>	<u><u>3,482,891</u></u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational activities	<u><u>2,424,797</u></u>	<u><u>1,110,752</u></u>	<u><u>3,535,549</u></u>
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational activities	<u><u>2,244,769</u></u>	<u><u>1,238,122</u></u>	<u><u>3,482,891</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £	Total funds 2020 £
Pension finance costs	3,000	3,000
Staff costs	447,146	447,146
Depreciation	308,333	308,333
Journey expenditure	80,749	80,749
Premises	107,323	107,323
Catering Costs	33,721	33,721
Technology costs	67,857	67,857
Other support costs	60,582	60,582
Governance costs	2,041	2,041
	<u>1,110,752</u>	<u>1,110,752</u>
	<u><u>1,110,752</u></u>	<u><u>1,110,752</u></u>
	<i>Educational activities 2019 £</i>	<i>Total funds 2019 £</i>
Pension finance costs	1,000	1,000
Staff costs	438,456	438,456
Depreciation	323,296	323,296
Journey expenditure	99,458	99,458
Premises	175,742	175,742
Catering Costs	44,493	44,493
Technology costs	84,767	84,767
Other support costs	54,327	54,327
Governance costs	16,583	16,583
	<u>1,238,122</u>	<u>1,238,122</u>
	<u><u>1,238,122</u></u>	<u><u>1,238,122</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	308,333	323,296
Fees paid to auditors for:		
- audit	9,775	9,400
- other services	1,295	1,250
	319,403	334,946

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,995,826	1,850,823
Social security costs	189,546	177,143
Pension costs	516,752	339,193
	2,702,124	2,367,159
Agency staff costs	2,792	42,252
Staff restructuring costs	1,774	-
	2,706,690	2,409,411

Staff restructuring costs comprise:

Redundancy payments	1,774	-
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NOTES TO THE FINANCIAL STATEMENTS
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12. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	42	38
Administration and support	42	37
Management	8	6
	92	81

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £500,100 (2019 - £384,735).

13. Trustees' remuneration and expenses

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

		2020 £	2019 £
Neale Pledger, Headmaster and Accounting Officer	Remuneration	75,000 -	75,000 -
		80,000	80,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined benefit pension schemes.

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13. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2020, expenses totalling £nil were reimbursed or paid directly to nil Trustee (2019 - £42 to 1 Trustee). The expenses relate to website cost paid by the trustee on behalf of the school.

14. Trustees' and Officers' insurance

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

15. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	13,391,140	45,739	7,015	539,142	13,983,036
Additions	-	2,968	-	4,509	7,477
Disposals	-	-	-	(1,773)	(1,773)
At 31 August 2020	<u>13,391,140</u>	<u>48,707</u>	<u>7,015</u>	<u>541,878</u>	<u>13,988,740</u>
Depreciation					
At 1 September 2019	501,728	29,332	700	436,390	968,150
Charge for the year	223,323	6,030	1,403	77,577	308,333
On disposals	-	-	-	(1,773)	(1,773)
At 31 August 2020	<u>725,051</u>	<u>35,362</u>	<u>2,103</u>	<u>512,194</u>	<u>1,274,710</u>
Net book value					
At 31 August 2020	<u><u>12,666,089</u></u>	<u><u>13,345</u></u>	<u><u>4,912</u></u>	<u><u>29,684</u></u>	<u><u>12,714,030</u></u>
At 31 August 2019	<u><u>12,889,412</u></u>	<u><u>16,407</u></u>	<u><u>6,315</u></u>	<u><u>102,752</u></u>	<u><u>13,014,886</u></u>

Included in freehold land and property is £2,225,000 (2019: £2,225,000) of land which is not depreciated.

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16. Stocks

	2020	2019
	£	£
Uniforms	2,525	3,624

17. Debtors

	2020	2019
	£	£
Due within one year		
Other debtors	25,649	37,523
Prepayments and accrued income	37,953	30,565
	63,602	68,088

18. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	84	52,860
Other taxation and social security	47,581	44,461
Other creditors	511,455	46,519
Accruals and deferred income	52,464	63,936
	611,584	207,776

	2020	2019
	£	£
Deferred Income		
Deferred income at 1 September 2019	8,879	-
Resources deferred during the year	11,603	8,879
Amounts released from previous periods	(8,879)	-
	11,603	8,879

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	(90,743)	204,045	(167)	(308,267)	-	(195,132)
Restricted general funds						
General Annual Grant	-	2,501,993	(2,815,912)	313,919	-	-
Other Dfe/ESFA grants	-	148,175	(148,175)	-	-	-
Local Authority	-	93,698	(93,698)	-	-	-
Other	-	24,236	(24,236)	-	-	-
Pupil Premium	-	56,028	(56,028)	-	-	-
Pension reserve	(198,000)	-	(89,000)	-	(73,000)	(360,000)
	(198,000)	2,824,130	(3,227,049)	313,919	(73,000)	(360,000)
Restricted fixed asset funds						
DfE/ESFA capital grants	13,014,886	-	(308,333)	7,477	-	12,714,030
Other capital funds	-	13,129	-	(13,129)	-	-
	13,014,886	13,129	(308,333)	(5,652)	-	12,714,030
Total Restricted funds	12,816,886	2,837,259	(3,535,382)	308,267	(73,000)	12,354,030
Total funds	12,726,143	3,041,304	(3,535,549)	-	(73,000)	12,158,898

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19. Statement of funds (continued)

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants represents start-up grants to be used towards the costs of the increasing school years, as well as pupil premium and insurance income to be used towards disadvantaged students and insurance.

Local Authority grants represents money given to the Academy through the grants. This year the grants included income for children who are hard to place i.e children who would otherwise be likely to be refused admission to a suitable school.

Fixed asset funds

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from ESFA.

DfE/ESFA capital grants included Devolved Formula Capital funding and amounts received from Academies Capital Maintenance Fund.

Unrestricted funds

The school management and trustees recognise that there was a deficit for the 19/20 academic year and subsequently there is a need for the careful management and control of available resources. The trustees recognise that for the school to continue to meet the high standards it has set itself, additional funding will be required. There are several options that are being considered including increasing pupil numbers up to the school published admission number of 600 and the establishment of a fund raising committee. These measures are in conjunction with the ongoing control and prioritisation of school expenditure.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds - all funds	109,034	324,284	(1,515)	(522,546)	-	(90,743)
Restricted general funds						
General Annual Grant	(181,451)	2,487,136	(2,837,738)	532,053	-	-
Other Dfe/ESFA grants	-	80,808	(80,808)	-	-	-
Local Authority	6,901	95,361	(102,262)	-	-	-
Other	-	28,809	(28,809)	-	-	-
Pupil Premium	-	60,463	(60,463)	-	-	-
Pension reserve	(75,000)	-	(48,000)	-	(75,000)	(198,000)
	(249,550)	2,752,577	(3,158,080)	532,053	(75,000)	(198,000)
Restricted fixed asset funds						
DfE/ESFA capital grants	13,312,291	-	(323,296)	25,891	-	13,014,886
Other capital funds	2,764	32,634	-	(35,398)	-	-
	13,315,055	32,634	(323,296)	(9,507)	-	13,014,886
Total Restricted funds	13,065,505	2,785,211	(3,481,376)	522,546	(75,000)	12,816,886
Total funds	13,174,539	3,109,495	(3,482,891)	-	(75,000)	12,726,143

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	12,714,030	12,714,030
Current assets	416,452	-	-	416,452
Creditors due within one year	(161,584)	-	-	(161,584)
Creditors due in more than one year	(450,000)	-	-	(450,000)
Provisions for liabilities and charges	-	(360,000)	-	(360,000)
Total	(195,132)	(360,000)	12,714,030	12,158,898

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	13,014,886	13,014,886
Current assets	117,033	-	-	117,033
Creditors due within one year	(207,776)	-	-	(207,776)
Provisions for liabilities and charges	-	(198,000)	-	(198,000)
Total	(90,743)	(198,000)	13,014,886	12,726,143

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(494,245)	(373,396)
Adjustments for:		
Depreciation	308,333	323,296
Capital grants from DfE and other capital income	(13,129)	(32,634)
Interest receivable	(138)	(103)
Defined benefit pension scheme cost less contributions payable	89,000	48,000
Decrease in stocks	1,099	1,141
Decrease in debtors	4,487	5,324
(Decrease)/increase in creditors	(61,117)	16,083
Net cash used in operating activities	(165,710)	(12,289)

22. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	450,000	-
Net cash provided by financing activities	450,000	-

23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	138	103
Purchase of tangible fixed assets	7,447	(23,127)
Capital grants from DfE	13,129	32,634
Net cash provided by investing activities	20,714	9,610

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NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£	£
Cash in hand	350,325	<i>45,321</i>

25. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	45,321	305,004	350,325
	45,321	305,004	350,325

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

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

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

Contributions amounting to £49,637 were payable to the schemes at 31 August 2020 (2019 - £38,407) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £389,773 (2019 - £250,228).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £90,000 (2019 - £81,000), of which employer's contributions totalled £71,000 (2019 - £64,000) and employees' contributions totalled £19,000 (2019 - £17,000). The agreed contribution rates for future years are 11.6 per cent for employers and 5.5-8.5 per cent for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.20	3.65
Rate of increase for pensions in payment/inflation	2.20	2.15
Discount rate for scheme liabilities	1.65	1.90

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	22.9
Females	25.1	24.8
<i>Retiring in 20 years</i>		
Males	23.2	24.6
Females	26.6	26.7

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26. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	158,000	125,000
Gilts	32,000	26,000
Corporate bonds	46,000	33,000
Property	17,000	16,000
Cash and other liquid assets	9,000	7,000
Other	27,000	25,000
Total market value of assets	289,000	232,000

The actual return on scheme assets was £9,000 (2019 - £15,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(157,000)	(111,000)
Interest income	5,000	5,000
Interest cost	(8,000)	(6,000)
Total amount recognised in the Statement of financial activities	(160,000)	(112,000)

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

	2020 £	2019 £
At 1 September	430,000	212,000
Current service cost	157,000	111,000
Interest cost	8,000	6,000
Employee contributions	19,000	17,000
Actuarial losses	35,000	85,000
Benefits paid	-	(1,000)
At 31 August	649,000	430,000

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26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	242,000	137,000
Expected return on assets	(5,000)	15,000
Actuarial (losses)/gains	(38,000)	10,000
Employer contributions	71,000	64,000
Employee contributions	19,000	17,000
Benefits paid	-	(1,000)
At 31 August	289,000	242,000

27. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	26,528	26,528
Later than 1 year and not later than 5 years	41,901	68,430
	68,429	94,958

28. Members' liability

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

29. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

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30. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2020 the Academy received £10,513 (2019 - £20,113) and disbursed £9,965 (2019 - £12,001) from the fund. An amount of £8,660 (2019 - £8,112) is included in other creditors relating to undistributed funds.

31. Controlling party

There is no ultimate controlling party.