

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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CUMBRIA ACADEMY FOR AUTISM
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Members | Linda Atrill Sean Day Gillian Hartley Lynne Thornton Gary Tomlinson |
| Trustees | Richard Aindow, Principal Daniel Bowman (appointed 18 March 2020) Linda Guy Amanda Harlow (appointed 18 March 2020) Gillian Hartley (resigned 2 March 2020) Robin Lacey Sophie McCabe (resigned 5 June 2020) Stephen Nunwick (resigned 2 March 2020) Lynne Thornton, Chair of Trustees Andrew Wallam (appointed 18 March 2020) |
| Company registered number | 09481079 |
| Company name | Cumbria Academy for Autism |
| Principal and registered office | Branthwaite Road Workington Cumbria CA14 4SS |
| Senior management team | Richard Aindow, Principal and Accounting Officer Sarah Kirkbride, Deputy Liza Ewing, Chief Financial Officer |
| Independent auditors | Armstrong Watson Audit Limited Chartered Accountants Fairview House Victoria Place Carlisle Cumbria CA1 1HP |
| Bankers | Lloyds Bank 2-6 Market Street Wigan Lancashire WN1 1JN |
| Solicitors | Burnetts 3a Lakeland Business Park Lamplugh Road Cockermouth CA13 0QT |

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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 year 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.

At capacity, the Academy Trust will operate a special academy for pupils aged 4 to 18 years old. Currently the Academy has a pupil capacity of 32 and had a roll of 32 in the school census on 31 August 2020.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Cumbria Academy for Autism Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Cumbria Academy for Autism.

The Members of the Academy Trust shall comprise the signatories to the Memorandum and any person appointed by agreement of the existing Members by passing a written special resolution. Members may be removed by the passing of a written resolution.

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

Through the DfE Risk Protection Arrangement (RPA), indemnity insurance is provided for the Trustees in accordance with, and subject to the conditions in the Companies Act 2006 s236. Any Trustee, or former Trustee, is indemnified against any liability incurred by him or her in that capacity, to the extent permitted by the Charities Act 2006.

d. Method of recruitment and appointment or election of Trustees

The Academy shall have up to 12 Trustees appointed by the Members, with a minimum of 2 Parent Trustees elected or appointed. There is also provision for Co-opted Trustees to be appointed.

The Trust recognise that the role of a Trustee/Governor brings with it significant workload and responsibility. This is reflected in the specific roles created for the governing body and the committees established to ensure CAA's legal, statutory and moral obligations as an education establishment are met.

A well-managed recruitment process is paramount to the appointment of successful Trustees for the school. Wherever possible, positions are filled to complete the required skills set of the Trustee body as a whole. A skills audit is undertaken on an annual basis by the Trustees, to establish the skills, knowledge and experience of the Trustee body and identify gaps in skills to enable planning for future recruitment. Roles will be filled by individuals who possess the correct skills set and experience, with training provided to address any skills gaps.

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The induction process for new Trustees is set out in the CAA Governance Handbook. The process includes a visit to school and an opportunity to meet the Head. A meeting with the Chair of Governors will also take place and new Trustees will be provided with access to the Governor drive and resources. New Governors will be required to undertake safeguarding training and offered the opportunity to attend a 'Governor roles and responsibilities' course.

f. Organisational structure

The Trust's constitution and framework for governance arrangements are set out in the Memorandum and Articles of Association for CAA, as recommended for Academies. CAA is a Single Academy Trust.

The Trust is comprised on 5 Members who are responsible for appointing and removing Trustees, receiving and reviewing reports and the strategy for the school. There is provision for 12 Trustees on the Board, with 8 currently in post, including the Principal as an Ex-Officio Governor. The Trustees provide support and challenge to the Principal, are accountable to the Secretary of State and oversee the Trust's financial performance. They also hold the Senior Leadership Team to account.

The Principal is appointed by the Trust to implement the strategy for CAA, report back to the governing body and run the day to day operations of the school.

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

The salary of the Head is set in line with the Leadership Scale in the Teachers Pay and Conditions document. Salaries are reviewed annually following appraisal interviews. Subject to targets being met and agreement from the Board, it would be normal to award staff incremental rises following discussion at Finance Committee meetings.

Objectives and activities

a. Objects and aims

The principal object and activity of the Charitable Company is the operation of the Cumbria Academy for Autism Trust to provide specialist education for students with Autism between the ages of 4 and 18.

In accordance with the Articles of Association the Charitable Company has adopted a funding agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

At Cumbria Academy for Autism it is our aim to:

"Provide Children and Young People with Autism, in Cumbria, the opportunity to reach their full potential in life by preparing them for adulthood, so they may lead happy and fulfilling lives."

The strategic objectives for the period are as follows:-

- *Curriculum Planning:* Broad and balanced to reflect both national requirements and the bespoke needs of individual students;
- *Delivery of a Therapeutic Approach:* In line with the vision for CAA;
- *Establish Financial Systems:* Which are both robust, secure and compliant with the requirements of the Academies Financial Handbook;
- *Finalise the School Building Resource:* Ensure the site is fit for purpose and in line with the vision for CAA;
- *Destinations:* Establish working links with colleges, FE and apprenticeships to develop future pathways for students.

c. Public benefit

The Academy provides specialist educational services for children and young people with autism in the local area. The Trustees confirm that they have complied with their duty to have due regard to the public benefit guidance published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

a. Key performance indicators

Recent surveys have demonstrated that families and students are incredibly positive about their new school and an overwhelming response was received with 100% satisfaction rate and 100% willing to recommend the Academy to others.

Absence rates are broadly in line with national averages for Special Schools and are reported as 88% for the academic year. The school will continue to work towards increased attendance rates but are pleased with the progress made this year as a number of students had previously not been attending school until they transferred to the Academy.

Staff turnover has been relatively low at 5.5% in comparison to the latest reported national rate of 9.2%.

The school achieved 100% capacity at opening and has all places commissioned for the new academic year 2020-2021.

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

The Trust secured some initial bridge funding from the Local Authority to fund student provision during the growth phase of the school. The school have also secured a Leadership Grant through the freeschools programme which again provides financial stability from the school's opening through to steady state. CAA have worked closely with the ESFA and continue to do so, having recently worked with an SRMA to provide additional external expertise and scrutiny of all governance, financial, budgetary and administrative matters.

The budget for the next 12 months forecasts that the school will remain solvent and has a sufficient income stream to operate for the foreseeable future.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees do not presently have a formal reserves policy. Any reserves which have been accumulated in line with best practice, are held to provide sufficient working capital to cover any delay, reduction or cessation of funding streams, together with unexpected emergencies such as urgent maintenance requirements. Furthermore, in the current period surplus working capital has been retained to provide financial stability throughout the growth phase of the school. Reserves are reinvested in the school's educational operations to ensure the highest quality of education continues to be provided. Free reserves are currently £7,067. The balance held in restricted general funds (excluding the pension reserve) is £176,862.

b. Investment policy

The Academy currently holds no investments, other than bank and cash balances which are retained in major UK banks. Investment policy relates only to the management of cash-flows, banking, the effective control of the risks associated with those activities, and the achievement of performance consistent with those risks.

c. Principal risks and uncertainties

The Risk Register which is reviewed on an ongoing basis by the Principal/Accounting Officer and identifies the potential strategic, operational and financial risks and rates those risks in terms of their financial and operational impact. The Risk Register is presented to the governing body annually. During Year 1, the Academy also undertook a full Financial Management and Governance Self-Assessment (FMGS) to review compliance and identify actions required to mitigate any associated risk from non-compliance.

d. Review of academic year

The Academy received the majority of funding from the ESFA and the Local Authority. Base funding is received directly from the ESFA with top-up funding relating to the SEND students at the Academy, being received from the commissioning Local Authority.

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

Income for the period ended 31 August 2020 totalled £6,368,873. The total expenditure of £1,124,604 was spent entirely on the academy's objectives. This has resulted in an in-year surplus of £5,218,269, which includes funding set aside for capital investment and reserves held to balance the school's budget in future years.

The in-year surplus includes the value of assets and liabilities transferred as a donation at the point of opening the Academy. This includes fixed assets capitalised at a value of £4,970,410 and a pension liability undertaken in respect of support staff from the Local Government Defined Benefit Pension Scheme of £40,000.

The surplus has been retained to mitigate the risk of operational deficits during the growth period of the school. This ensures that the school can meet its ongoing financial commitments and secure the continued offer of provision in years 1-4. These additional funds have been allocated across the growth period of the school, when economies of scale from staffing and operational costs are not yet realised.

Budget forecasts demonstrate that the funding will ensure the liquidity of the academy through the growth phase and that the surplus will be used in future years to allow for the balancing of the budget.

The Trust have also secured restricted funding for capital investment to complete essential facilities at the school that were outside of the scope of the ESFA capital build program. These funds have been designated for the installation of Maglocks, development of outdoor provision for students and commissioning of sensory rooms within the school.

Plans for future periods

The Academy aim to continue to embed all systems and processes and further develop the scope of provision at CAA over the coming years. Further investment in the outdoor provision will take place in the next academic year which will provide essential, safe play spaces and opportunities for all year groups.

The school will also continue to grow and develop the staff team, whilst also continuing to work with the commissioning authorities to receive place referrals for future years.

Work will begin on developing plans for the Post 16 provision and local links and networks will be established to ensure future pathways are created for students beyond their time at CAA.

Disclosure of information to auditors

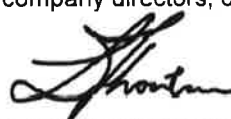
Insofar as the Trustees are aware:

- 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.

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 January 2021 and signed on its behalf by:



.....
Lynne Thornton
Chair of Trustees

CUMBRIA ACADEMY FOR AUTISM
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Cumbria Academy for Autism 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 Principal, Richard Aindow, 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 Cumbria Academy for Autism and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 8 times during the year (including committees).

Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------------------------|-------------------|-------------------|
| Richard Aindow | 8 | 8 |
| Daniel Bowman | 3 | 3 |
| Linda Guy | 6 | 6 |
| Amanda Harlow | 2 | 3 |
| Gillian Hartley | 1 | 2 |
| Robin Lacey | 5 | 6 |
| Sophie McCabe | 4 | 5 |
| Stephen Nunwick | 2 | 2 |
| Lynne Thornton, Chair of Trustees | 7 | 7 |
| Andrew Wallam | 3 | 3 |

Board Composition

The Board of Trustees has experienced significant change throughout the period. The resignations of 4 Trustees, arising from personal circumstances, has created challenge at a time when the school is continuing to establish itself. 3 new highly committed Trustees have since been appointed to the Board since March 2020 and bring strong, complimentary skills to that of the existing Governors.

The Board continues to develop and has capacity for additional Trustee roles. Following a Governor skills audit, the Trust are actively recruiting new Governors, with a focus on addressing any skills gaps and requirements for additional expertise.

The Board has had to adapt during the period of reduced numbers, and made the decision to temporarily move away from sub-committees to more frequent full Governor meetings, to ensure all sessions were quorate and responsibilities could continue to be met. With the Board now growing in number again, the Trust intend to return to the planned meeting structure this coming academic year, with a dedicated Education and Send Committee and a Finance and Resources Committee (incorporating Audit and Risk) reporting back to Full Governor Board meetings.

The Board presently convenes on a bi-monthly basis to review strategic performance, key information and data regarding the school. Information provided by the Senior Leadership Team is timely and comprehensive and the Headteacher's report has developed significantly to provide a detailed account of performance and a review of progress in line with the strategic aims of the school.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The school continues to develop its reporting mechanisms and work is underway to streamline the monthly financial reporting, with the aim of providing greater emphasis on Key Performance indicators and Integrated Curriculum Financial Planning.

The current global pandemic, COVID-19, has impacted on Board development and progress, with meetings and training being held virtually since March 2020. Monitoring visits were also postponed but will recommence in line with schools opening on 1st September 2020. Governors have continued to provide oversight and challenge to the school and its leaders remotely, via conversations, review of documentation and wider discussion at board and committee meetings.

Governance Reviews

The Board will always seek to further develop their skills and expertise and are committed to a program of CPD to ensure they are able to effectively discharge their duties.

The Board undertook an external review of performance in January 2020, assisted by Local and National Leaders of Governance, who supported the Board at a time of challenge to help rebuild membership and develop a plan of action. This review helped to refocus the existing Board and bring new skills and expertise through the targeted recruitment of individuals, in line with the identified skills gaps. These appointments will ensure that the Board can effectively discharge their duties and provide continued support and challenge to the Senior Leadership Team.

The Board intend to undertake an annual review of governance in the Spring term of each year. This will either be through a process of self-evaluation or through external review.

The Finance and Resources Committee is a sub-committee of the main Board of Trustees and incorporates the Audit and Risk Committee. Its purpose is to ensure that the governing body discharges its financial responsibilities correctly and that the Academy remains financially viable at all times. The sub-committee initially met during the Winter term, up until the Spring term when the decision was made to move to a single Governor's meetings due to reduced Trustee numbers and to ensure quoracy. The Trust aims to return to a sub-committee structure in Spring 2021, which feeds back to the main Board meetings on a termly basis.

Review of value for money

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

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

- Exercising prudence in the recruitment of staff and setting of pay scales;
- Delivering therapeutic interventions through upskilling of existing staff and use of external resource;
- Utilising procurement opportunities to source best value in securing supplies and services.

Opportunities for additional value for money improvements have been identified, as follows:

- Review of energy costs which are currently above national benchmarks for similar schools;
- Review of class numbers to create efficiencies in teaching costs;
- Increase in SLT teaching contact time.

CUMBRIA ACADEMY FOR AUTISM
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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2019 through 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 to buy-in an internal audit service from an external provider as of 1 September 2020. During the period, the Board of Trustees decided to utilise the full review by Alexis Widdowson, ESFA SRMA as its Internal Audit.

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

- Review of governance mechanisms;
- Review of monthly reporting;
- Financial benchmarking and ICFP;
- Review of Value for Money and opportunities for savings;

Covid-19 has impacted on the ability to conduct termly internal scrutiny, with the school temporarily closing in March 2020 and the revised FRC Ethical Standard for auditors changing, however, the Board have continued to review and scrutinise the systems at CAA and have utilised the SRMA report as the basis for comprehensive internal scrutiny for the financial period. Going forward the Board will commission external resource to conduct termly internal audit and review. They will report to the Audit Committee, as part of the Finance and Resources Committee, on the operation of systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The internal audit report received, set out a number of areas for potential improvement and development. Specifically:

- Develop a comprehensive suite of monthly financial reports;
- Introduce regular ICFP and benchmarking reviews;
- Formalise internal scrutiny arrangements for the coming year.

Plans are place to recruit an accounting technician to support the Finance and Admin team in their accounting duties, specially the preparation of Monthly Management Accounts and Financial Analysis, including benchmarking.

The Trust are also committed to re-establishing the sub-committee structure, with a focus on the Finance and Resources committee with a dedicated Audit and Risk agenda.

Review of effectiveness

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

- the internal work of the ESFA SRMA;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Principal and Senior Leadership Team at CAA 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 Board and the Finance and Resources Committee (incorporating Audit and Risk) and a plan to address weaknesses and ensure continuous improvement of the system is being developed.

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



.....
Lynne Thornton
Chair of Trustees

Date: 18 January 2021



.....
Richard Aindow
Accounting Officer

CUMBRIA ACADEMY FOR AUTISM
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cumbria Academy for Autism 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.

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



.....
Richard Aindow
Accounting Officer

Date: 18 January 2021

CUMBRIA ACADEMY FOR AUTISM
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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 year. 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:



Lynne Thornton
Chair of Trustees

Date: 18 January 2021

CUMBRIA ACADEMY FOR AUTISM
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CUMBRIA ACADEMY FOR AUTISM**

Opinion

We have audited the financial statements of Cumbria Academy for Autism (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.

Conclusions relating to going concern

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CUMBRIA ACADEMY FOR AUTISM (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.

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CUMBRIA ACADEMY FOR AUTISM (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.



Karen Rae (Senior statutory auditor)

Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Carlisle

Date: 28 January 2021

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CUMBRIA
ACADEMY FOR AUTISM AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 January 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cumbria Academy for Autism 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 Cumbria Academy for Autism and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cumbria Academy for Autism 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 Cumbria Academy for Autism and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cumbria Academy for Autism's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cumbria Academy for Autism's funding agreement with the Secretary of State for Education dated 26 September 2019 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- review of extra-contractual payments for staff have been made in accordance with the Handbook;
- review of resources expended for individual transactions exceeding £5,000;
- review any borrowing agreements, including leases, to ensure that they have been made in accordance with the Handbook;
- reviewing the minutes of the meetings of the main committees during the year;
- reviewing the expenditure to check that it was not ultravires to the charitable objectives.

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CUMBRIA
ACADEMY FOR AUTISM AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



Armstrong Watson Audit Limited
Chartered Accountants

Date: 28 January 2021

CUMBRIA ACADEMY FOR AUTISM
(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: | 3 | | | | | |
| Transfer from local authority on conversion | | - | (40,000) | 4,970,410 | 4,930,410 | - |
| Other donations and capital grants | | 1,402 | - | 357,988 | 359,390 | 214,964 |
| Charitable activities | 4 | - | 1,075,539 | - | 1,075,539 | - |
| Other trading activities | | 1,529 | - | - | 1,529 | - |
| Investments | 6 | 259 | - | - | 259 | 38 |
| Other income | 7 | 1,746 | - | - | 1,746 | 436 |
| Total income | | 4,936 | 1,035,539 | 5,328,398 | 6,368,873 | 215,438 |
| Expenditure on: | | | | | | |
| Charitable activities | 9 | 1,281 | 936,942 | 186,381 | 1,124,604 | 136,707 |
| Total expenditure | | 1,281 | 936,942 | 186,381 | 1,124,604 | 136,707 |
| Net movement in funds before other recognised gains/(losses) | | 3,655 | 98,597 | 5,142,017 | 5,244,269 | 78,731 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 25 | - | (26,000) | - | (26,000) | - |
| Net movement in funds | | 3,655 | 72,597 | 5,142,017 | 5,218,269 | 78,731 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 3,412 | (22,735) | 111,013 | 91,690 | 12,959 |
| Net movement in funds | | 3,655 | 72,597 | 5,142,017 | 5,218,269 | 78,731 |
| Total funds carried forward | | 7,067 | 49,862 | 5,253,030 | 5,309,959 | 91,690 |

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

The notes on pages 22 to 43 form part of these financial statements.

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)
REGISTERED NUMBER: 09481079

BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 5,012,539 | 101,013 |
| | | <u>5,012,539</u> | <u>101,013</u> |
| Current assets | | | |
| Debtors | 16 | 39,563 | 45,171 |
| Cash at bank and in hand | | 431,887 | 58,923 |
| | | <u>471,450</u> | <u>104,094</u> |
| Creditors: amounts falling due within one year | 17 | (47,030) | (113,417) |
| | | <u>424,420</u> | <u>(9,323)</u> |
| Net current assets / liabilities | | | |
| | | <u>5,436,959</u> | <u>91,690</u> |
| Total assets less current liabilities | | | |
| Net assets excluding pension liability / asset | | <u>5,436,959</u> | <u>91,690</u> |
| Defined benefit pension scheme liability / asset | 25 | (127,000) | - |
| Total net assets | | <u><u>5,309,959</u></u> | <u><u>91,690</u></u> |

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)
REGISTERED NUMBER: 09481079

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|---------------|
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 19 | 5,253,030 | 111,013 |
| Restricted income funds | 19 | 176,862 | (22,735) |
| | | <hr/> | <hr/> |
| Restricted funds excluding pension asset | 19 | 5,429,892 | 88,278 |
| Pension reserve | 19 | (127,000) | - |
| | | <hr/> | <hr/> |
| Total restricted funds | 19 | 5,302,892 | 88,278 |
| Unrestricted income funds | 19 | 7,067 | 3,412 |
| | | <hr/> | <hr/> |
| Total funds | | 5,309,959 | 91,690 |
| | | <hr/> <hr/> | <hr/> <hr/> |

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

The financial statements on pages 18 to 43 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Lynne Thornton
Chair of Trustees
Date: 18 January 2021

The notes on pages 22 to 43 form part of these financial statements.

CUMBRIA ACADEMY FOR AUTISM
(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 provided by operating activities | 21 | 155,091 | 149,704 |
| Cash flows from investing activities | 22 | 217,873 | (103,470) |
| Change in cash and cash equivalents in the year | | 372,964 | 46,234 |
| Cash and cash equivalents at the beginning of the year | | 58,923 | 12,689 |
| Cash and cash equivalents at the end of the year | 23, 24 | <u>431,887</u> | <u>58,923</u> |

The notes on pages 22 to 43 form part of these financial statements

CUMBRIA ACADEMY FOR AUTISM
(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.

Cumbria Academy for Autism meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future.

The Trust secured some initial bridge funding from the Local Authority to fund student provision during the growth phase of the school. The school have also secured a Leadership Grant through the freeschools programme which again provides financial stability from the school's opening through to a steady state. CAA have worked closely with the ESFA and continue to do so, having recently worked with an SRMA to provide additional external expertise and scrutiny of all governance, financial, budgetary and administrative matters.

The budget for the next 12 months forecasts that the school will remain solvent and has a sufficient income stream to operate for the foreseeable future. The Trustees believe that there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

which they are expended.

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

1.4 Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

| | | |
|------------------------------|---|------------------------|
| Long-term leasehold property | - | over term of the lease |
| Furniture and equipment | - | 10% straight line |
| Plant and machinery | - | 15% reducing balance |
| Computer equipment | - | 33% straight line |

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

1.6 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.

1.7 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.

1.8 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.

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Pensions

The Academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy to the fund in respect of the year.

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.

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 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. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation

Establishing useful economic lives for depreciation purposes. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. Governors regularly review the useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies are included in the accounting policies 1.5.

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

3. Income from donations and capital grants

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Capital Grants | | | | | |
| Sellafield capital grant | - | - | 185,000 | 185,000 | - |
| DfE capital grants | - | - | 172,988 | 172,988 | - |
| Subtotal detailed disclosure | - | - | 357,988 | 357,988 | - |
| Donations | 1,402 | - | - | 1,402 | 250 |
| Transfer from local authority on conversion | - | (40,000) | 4,970,410 | 4,930,410 | 214,714 |
| Subtotal | 1,402 | (40,000) | 4,970,410 | 4,931,812 | 214,964 |
| | 1,402 | (40,000) | 5,328,398 | 5,289,800 | 214,964 |
| <i>Total 2019</i> | 250 | 190,000 | 24,714 | 214,964 | |

4. Funding for the Academy's educational operations

| | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General annual grant | 320,000 | 320,000 | - |
| Start up grant | 97,000 | 97,000 | - |
| Local authority grants | 601,104 | 601,104 | - |
| Other DfE/ESFA grants | 57,435 | 57,435 | - |
| | 1,075,539 | 1,075,539 | - |

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

5. Income from other trading activities

| | Unrestricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|--------------------------------|--|---------------------------------------|---------------------------------------|
| Income from trading activities | 1,529 | 1,529 | - |

6. Investment income

| | Unrestricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Investment income | 259 | 259 | 38 |
| <i>Total 2019</i> | 38 | 38 | |

7. Other incoming resources

| | Unrestricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|--------------------------|--|---------------------------------------|---------------------------------------|
| Other incoming resources | 1,746 | 1,746 | 436 |
| <i>Total 2019</i> | 436 | 436 | |

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

8. Expenditure

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ | Total 2019 £ |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Educational operations: | | | | | |
| Direct costs | 587,256 | - | 32,400 | 619,656 | 85,279 |
| Allocated support costs | 207,044 | 48,248 | 249,656 | 504,948 | 51,428 |
| | <u>794,300</u> | <u>48,248</u> | <u>282,056</u> | <u>1,124,604</u> | <u>136,707</u> |
| <i>Total 2019</i> | <u>83,300</u> | <u>-</u> | <u>53,407</u> | <u>136,707</u> | |

9. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------|--|--|---------------------------------------|---------------------------------------|
| Educational operations | 1,281 | 1,123,323 | 1,124,604 | 136,707 |
| <i>Total 2019</i> | <u>-</u> | <u>136,707</u> | <u>136,707</u> | |

10. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------|--|---|---------------------------------------|---------------------------------------|
| Educational operations | 619,656 | 504,948 | 1,124,604 | 136,707 |
| <i>Total 2019</i> | <u>85,279</u> | <u>51,428</u> | <u>136,707</u> | |

CUMBRIA ACADEMY FOR AUTISM
(A company limited by guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational operations 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|-------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 207,044 | 207,044 | - |
| Depreciation | 159,258 | 159,258 | - |
| Accountancy | 10,865 | 10,865 | 2,642 |
| Auditors Remuneration | 8,500 | 8,500 | 1,640 |
| Legal and professional | 15,493 | 15,493 | 10,271 |
| Subscriptions | 1,478 | 1,478 | - |
| Non-education contracts | 6,719 | 6,719 | - |
| Staff costs | 1,494 | 1,494 | 33,312 |
| Staff training | 4,906 | 4,906 | 3,563 |
| Bank charges | 585 | 585 | - |
| Insurance | 795 | 795 | - |
| Room hire | 410 | 410 | - |
| Sundry expenses | 1,560 | 1,560 | - |
| Office costs | 5,172 | 5,172 | - |
| Heat and light | 18,084 | 18,084 | - |
| Repairs and maintenance | 30,164 | 30,164 | - |
| Catering | 5,298 | 5,298 | - |
| VAT repaid to ESFA | 27,123 | 27,123 | - |
| | <u>504,948</u> | <u>504,948</u> | <u>51,428</u> |
| <i>Total 2019</i> | <u>51,428</u> | <u>51,428</u> | |

11. Net income

Net income for the year includes:

| | 2020 £ | <i>2019 £</i> |
|---------------------------------------|-------------------|-------------------|
| Depreciation of tangible fixed assets | 159,258 | - |
| Fees paid to auditors for: | | |
| - audit | 8,500 | 1,640 |
| - other services | 10,865 | 2,642 |

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12. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2020 £ | 2019 £ |
|-----------------------|-----------------------|----------------------|
| Wages and salaries | 571,419 | 69,727 |
| Social security costs | 40,718 | 3,030 |
| Pension costs | 170,166 | 10,543 |
| | <u>782,303</u> | <u>83,300</u> |
| Agency staff costs | 11,997 | - |
| | <u><u>794,300</u></u> | <u><u>83,300</u></u> |

Staff restructuring costs comprise:

b. Staff numbers

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

| | 2020 No. | 2019 No. |
|----------------------|-------------|-------------|
| Administrative staff | 3 | 1 |
| Teaching staff | 20 | 2 |
| Maintenance staff | 1 | - |
| | <u>24</u> | <u>3</u> |

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 | <u>1</u> | <u>-</u> |

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 £179,384 (2019 £78,300).

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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 £ |
|-------------|----------------------------|--------------------|--------------------|
| Mr R Aindow | Remuneration | 60,000 - 65,000 | 35,000 - 40,000 |
| | Pension contributions paid | 10,000 - 15,000 | 5,000 - 10,000 |

During the year ended 31 August 2020, expenses totalling £12 were reimbursed or paid directly to 1 Trustee (2019 - £2,555 to 3 Trustees).

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

| | Long-term leasehold property £ | Furniture and equipment £ | Plant and machinery £ | Computer equipment £ | Total £ |
|--------------------------|---|------------------------------------|-----------------------------|----------------------------|------------|
| Cost or valuation | | | | | |
| At 1 September 2019 | - | - | - | 103,470 | 103,470 |
| Additions | 4,593,386 | 244,793 | 8,605 | 224,000 | 5,070,784 |
| At 31 August 2020 | 4,593,386 | 244,793 | 8,605 | 327,470 | 5,174,254 |
| Depreciation | | | | | |
| At 1 September 2019 | - | - | - | 2,457 | 2,457 |
| Charge for the year | 36,747 | 20,973 | 172 | 101,366 | 159,258 |
| At 31 August 2020 | 36,747 | 20,973 | 172 | 103,823 | 161,715 |
| Net book value | | | | | |
| At 31 August 2020 | 4,556,639 | 223,820 | 8,433 | 223,647 | 5,012,539 |
| At 31 August 2019 | - | - | - | 101,013 | 101,013 |

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15. Tangible fixed assets (continued)

At the opening of the Academy on 1 September 2019, the value of buildings held under a 125 year lease with the Secretary of State was recognised. The valuation was based on the cost of building the Academy.

Other assets have been transferred into the ownership of the Academy Trust at the point of opening, these have been recognised at the acquisition cost.

16. Debtors

| | 2020 | 2019 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Due within one year | | |
| Other debtors | 19,087 | 31,185 |
| Prepayments and accrued income | 20,476 | 13,986 |
| | 39,563 | 45,171 |

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17. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------|---------------|----------------|
| Trade creditors | 25,051 | 107,672 |
| Accruals and deferred income | 21,979 | 5,745 |
| | <u>47,030</u> | <u>113,417</u> |

There was no deferred income arising at the year end date (2019 same).

18. Financial Instruments

| | 2020 £ | 2019 £ |
|--|-----------------|------------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | <u>431,887</u> | <u>58,923</u> |
| | 2020 £ | 2019 £ |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(47,030)</u> | <u>(113,417)</u> |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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19. Statement of funds

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|--------------------------------------|--|-------------|------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| General Funds | 3,412 | 4,936 | (1,281) | - | 7,067 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 417,000 | (243,408) | - | 173,592 |
| Other DfE/ESFA Grants | (22,735) | 46,437 | (20,938) | - | 2,764 |
| Other local authority grants | - | 612,102 | (611,596) | - | 506 |
| Pension reserve | - | (40,000) | (61,000) | (26,000) | (127,000) |
| | (22,735) | 1,035,539 | (936,942) | (26,000) | 49,862 |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 111,013 | 172,988 | (68,343) | - | 215,658 |
| Fixed assets inherited on conversion | - | 4,970,410 | (117,693) | - | 4,852,717 |
| Sellafield capital grant | - | 185,000 | (345) | - | 184,655 |
| | 111,013 | 5,328,398 | (186,381) | - | 5,253,030 |
| Total Restricted funds | 88,278 | 6,363,937 | (1,123,323) | (26,000) | 5,302,892 |
| Total funds | 91,690 | 6,368,873 | (1,124,604) | (26,000) | 5,309,959 |

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

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

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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>Transfers in/out £</i> | <i>Balance at 31 August 2019 £</i> |
|-------------------------------------|--|---------------------|--------------------------|-----------------------------------|--|
| Unrestricted funds | | | | | |
| General Funds | 12,959 | 724 | - | (10,271) | 3,412 |
| Restricted general funds | | | | | |
| Restricted Funds | - | 190,000 | (134,250) | (78,485) | (22,735) |
| Restricted fixed asset funds | | | | | |
| Restricted Fixed Asset Fund | - | 24,714 | (2,457) | 88,756 | 111,013 |
| Total Restricted funds | - | 214,714 | (136,707) | 10,271 | 88,278 |
| Total funds | 12,959 | 215,438 | (136,707) | - | 91,690 |

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 | - | - | 5,012,539 | 5,012,539 |
| Current assets | 7,067 | 223,892 | 240,491 | 471,450 |
| Creditors due within one year | - | (47,030) | - | (47,030) |
| Provisions for liabilities and charges | - | (127,000) | - | (127,000) |
| Total | 7,067 | 49,862 | 5,253,030 | 5,309,959 |

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20. Analysis of net assets between funds (continued)

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 | - | - | 101,013 | 101,013 |
| Current assets | 3,412 | 90,682 | 10,000 | 104,094 |
| Creditors due within one year | - | (113,417) | - | (113,417) |
| Total | 3,412 | (22,735) | 111,013 | 91,690 |

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

| | 2020 £ | 2019 £ |
|--|--------------------|-------------------|
| Net income for the period (as per Statement of financial activities) | 5,244,269 | 78,731 |
| Adjustments for: | | |
| Depreciation | 159,259 | 2,457 |
| Capital grants from DfE and other capital income | (5,288,398) | - |
| Interest receivable | (259) | - |
| Defined benefit pension scheme obligation inherited | 40,000 | - |
| Defined benefit pension scheme cost less contributions payable | 60,000 | - |
| Defined benefit pension scheme finance cost | 1,000 | - |
| Decrease/(increase) in debtors | 5,608 | (44,868) |
| (Decrease)/increase in creditors | (66,388) | 113,384 |
| Net cash provided by operating activities | 155,091 | 149,704 |

22. Cash flows from investing activities

| | 2020 £ | 2019 £ |
|--|--------------------|-------------------|
| Dividends, interest and rents from investments | 259 | - |
| Purchase of tangible fixed assets | (5,070,784) | (103,470) |
| Capital grants from DfE Group | 5,103,398 | - |
| Capital funding received from sponsors and others | 185,000 | - |
| Net cash provided by/(used in) investing activities | 217,873 | (103,470) |

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23. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|--|----------------|---------------|
| Cash in hand | 431,887 | 58,923 |
| Total cash and cash equivalents | 431,887 | 58,923 |

24. Analysis of changes in net debt

| | At 1 September 2019 £ | Cash flows £ | At 31 August 2020 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 58,923 | 372,964 | 431,887 |
| | 58,923 | 372,964 | 431,887 |

25. 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 Cumbria 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.

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

Teachers' Pension Scheme

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

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

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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £99,638 (2019 - £15,023).

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 £13,378 (2019 - £2,130), of which employer's contributions totalled £9,528 (2019 - £1,491) and employees' contributions totalled £ 3,850 (2019 - £639). The agreed contribution rates for future years are 14.4 per cent for employers and 5.5-6.5 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.

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25. Pension commitments (continued)

Principal actuarial assumptions

| | 2020 | 2019 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.8 | 3.5 |
| Rate of increase for pensions in payment/inflation | 2.4 | 2.1 |
| Discount rate for scheme liabilities | 1.8 | 1.8 |
| Inflation assumption (CPI) | 2.3 | 2 |

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 | 22.6 | 22.5 |
| Females | 25.2 | 25.1 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.2 | 24.1 |
| Females | 27.1 | 27 |

Sensitivity analysis

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | 118 | - |
| Mortality assumption - 1 year increase | 133 | - |
| Investment returns +0.1% | 126 | - |
| Investment returns -0.1% | 128 | - |
| Inflation +0.1% | 136 | - |
| Pay growth +0.1% | 127 | - |

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25. Pension commitments (continued)

Share of scheme assets

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

| | 2020 £ | 2019 £ |
|-------------------------------------|----------------|-----------|
| Equities | 37,000 | - |
| Gilts | 21,000 | - |
| Property | 6,000 | - |
| Cash and other liquid assets | 10,000 | - |
| Other | 33,000 | - |
| Total market value of assets | 107,000 | - |

The actual return on scheme assets was £0 (2019 - £0).

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

| | 2020 £ | 2019 £ |
|---|---------------|-----------|
| Current service cost | 95,000 | - |
| Interest income | (1,000) | - |
| Interest cost | 2,000 | - |
| Administrative expenses | 2,000 | - |
| Total amount recognised in the Statement of financial activities | 98,000 | - |

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

| | 2020 £ | 2019 £ |
|------------------------------|----------------|-----------|
| Conversion of academy trusts | 88,000 | - |
| Current service cost | 95,000 | - |
| Interest cost | 2,000 | - |
| Employee contributions | 15,000 | - |
| Actuarial losses/(gains) | 25,000 | - |
| Benefits paid | 9,000 | - |
| At 31 August | 234,000 | - |

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25. Pension commitments (continued)

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

| | 2020 £ | 2019 £ |
|------------------------------|----------------|-----------|
| Conversion of academy trusts | 48,000 | - |
| Interest income | 1,000 | - |
| Actuarial (losses)/gains | (1,000) | - |
| Employer contributions | 37,000 | - |
| Employee contributions | 15,000 | - |
| Benefits paid | 9,000 | - |
| Administration costs | (2,000) | - |
| At 31 August | 107,000 | - |

Cumbria Academy for Autism recognised a £40,000 liability on conversion to an opened Academy as at 1 September 2019.

26. 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 | 8,296 | - |
| Later than 1 year and not later than 5 years | 22,184 | - |
| | 30,480 | - |

27. Members' liability

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

28. Related party transactions

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

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29. Transfer on Conversion into the academy

Transfer of assets on the opening of the academy from Local Authority and ESFA

| | Value reported by transferring trust £ | Transfer in recognised £ |
|---------------------------------------|--|--------------------------------|
| Tangible fixed assets | | |
| Long-term leasehold property | 4,593,386 | 4,593,386 |
| Furniture and equipment | 191,693 | 191,693 |
| Computer equipment | 185,331 | 185,331 |
| Pensions | | |
| Pensions - pension scheme assets | 48,000 | 48,000 |
| Pensions - pension scheme liabilities | (88,000) | (88,000) |
| Net assets | <u>4,930,410</u> | <u>4,930,410</u> |

