

**TANWORTH IN ARDEN ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2020**

***Company Limited by Guarantee***  
***Registration Number: 08210410***  
***(England & Wales)***

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## REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

**Members**

<b>Birmingham Diocese</b>	Mrs Pat Saunders
<b>Birmingham Diocese</b>	Rev Paul Cudby
<b>Birmingham Diocese</b>	Mr Rick Dearing
<b>Head Teacher</b>	Mrs Shelley Bamford
<b>Chair of Governors</b>	Mr Robert Prince
<b>Tanworth Educational Foundation</b>	Mr Dave Burgess

**Trustees**

Mrs Pat Saunders (Vice Chair of Governors) #  
 Mr Denis Kynaston \*  
 Miss Kelly Cutler (Staff Governor appointed 19/09/19) #  
 Ms Sue Maher \*  
 Mrs Ann Field #  
 Mr Paul Cudby (Vicar)  
 Mrs Shelley Bamford (Principal) \*#  
 Mr John Jeffery \*  
 Ms Helena Mikula #  
 Mr Craig Scriven \*  
 Mrs Lorna Smith (Parent Governor Appointed 23/10/19) #  
 Ms Amy Stewart (Appointed 20/10/19) #  
 \* members of the Resources committee  
 # members of the Performance and Standards committee

**Senior Leadership Team**

<b>Head Teacher</b>	Mrs Shelley Bamford
<b>Deputy Head</b>	Mrs Michelle Evens
<b>Key Stage 2 Leader</b>	Miss Kelly Cutler
<b>Academy Finance Officer</b>	Mrs C Willies

**Company secretary**

Mr Robert Perks

**Company registration number**

08210410 (England and Wales)

**Registered office**

The Green  
 Tanworth in Arden  
 Solihull  
 West Midlands  
 B94 5AJ

**Independent auditor**

UHY Hacker Young (Birmingham) LLP  
 9-11 Vittoria Street  
 Birmingham  
 B1 3ND

**Bankers**

Lloyds TSB Plc  
 PO Box 1000  
 Andover  
 BX1 1LT

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy trust operates a nursery for children aged 2-4 and a primary school, for pupils aged 4-11, serving a catchment area within the Parish of Tanworth in Arden and Earlswood. The nursery has a capacity of 38 children within the nursery and 210 pupils within the school and at the census in October 2019 there were 203 (2019: 205) pupils on roll in the school. In January 2020 there were 47 children on roll in the nursery, although not more than 38 at any one time.

**Structure, governance and management****Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Tanworth in Arden Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year and up to the date of the audit are included in the Reference and Administrative Details on page 3.

**Members' liability**

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

**Trustees' indemnities**

There are no qualifying third party indemnity provisions in place.

**Principal activities**

To advance, for the public benefit, education in the United Kingdom, by establishing maintaining, carrying on, managing, and developing a primary school and nursery with a designated Church of England religious character offering a broad and balanced curriculum.

**Method of recruitment and appointment or election of trustees**

The Academy Trust members may appoint up to seven of the trustees. The incumbent and the Head Teacher are ex officio appointments. Two trustees are elected as parent trustees and one trustee is elected as a staff trustee. Two further trustees may be co-opted by the Governing Board and the Secretary of State may appoint additional trustees.

New governors are appointed, from within the community, as vacancies arise and with reference to the individual skills matrix requirement of the Governing Board.

**Policies and procedures adopted for the induction and training of trustees**

The Resources Committee reviews and approves the training requirements of trustees on an annual basis. This includes induction training for new trustees by the National Governance Association (NGA). Additional training for trustees on selected topics is provided by the NGA, the Birmingham Diocesan Board of Education, or other appropriate organisations.

**Organisational structure**

At the start of each Academic year the Governing Board meets and reviews the terms of reference and composition of two subsidiary committees: the Resources Committee and the Performance and Standards Committee. Trustees are appointed to these committees according to their individual skills and experience. The Full Governing Board, Resources Committee and the Performance and Standards Committee each meet at least once a term, with further meetings arranged on an ad-hoc basis as needed.

The Terms of Reference of the Resources Committee include the duties of the Audit Committee and the Pay Committee Review panel. The Resources Committee review and approve annually the Financial Regulations Manual.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Organisational structure (cont'd)**

This document defines which decisions are reserved for the Governing Body and those that are delegated to the Resources Committee, the Head Teacher, and the Academy Finance Officer\*, for example, the Governing Body will approve the Annual budgets and Audited accounts, whereas the Resources Committee will receive and consider the regular budget monitoring reports from the Academy Finance Officer and review and determine any staff pay recommendations. The Head Teacher is the Accounting Officer and will work with the Academy Finance Officer to keep both the Resources and other Committees fully informed on financial matters.

**Arrangements for setting pay and remuneration of key management personnel**

No Academy trustees are remunerated, other than the Ex Officio Head Teacher and the nominated staff trustee. The Head Teacher and staff trustees receive remuneration in respect of their contracts of employment as Head Teacher and staff and not in respect of their services as trustees. The Senior Leadership Team comprises the Head Teacher, the Deputy Head, the Early Years Leader, and the Academy Finance Officer. A performance management review of each individual takes place annually. The Head Teacher's Performance Review is carried out by a panel comprising two trustees and may also include an independent person. Targets are set annually, typically within the disciplines of Curriculum Delivery, Management and Personal Development, and pay progression is judged against achieving these targets, together with overall performance during the year. A similar process is undertaken by the Head Teacher in the Performance Management of the Deputy Head, the Finance and Business Manager, and the Early Years Leader.

A summary of the Performance Management Reviews is reported to the Resources Committee, together with recommendations for progressions in the relevant pay scales. The Resources Committee considers and approves or challenges the information as appropriate. The relevant pay scales are those adopted nationally for teaching staff and locally for support staff.

**Trade union facility time**

The Trust does not have any employees who are trade union officials and thus does not grant any trade union facility time or pay for time spent on trade union activities.

**Related parties and other connected charities and organisations**

Members of the Academy Trust are nominated by the Diocese of Birmingham and by the Tanworth Educational Foundation. The Academy Trust has entered into a Tenancy at Will agreement with the Tanworth Educational Foundation who retain ownership of the land and buildings from which the school and nursery operate. There were no related party transactions to report during the period.

**Objectives and activities****Objects and aims**

The Tanworth in Arden Academy Trust has established and is managing and developing a primary school, nursery and wrap around care provision with a designated Church of England religious character, offering a broad and balanced curriculum in accordance with the Memorandum and Articles of Association of the Trust and the Funding Agreement. The principal aim of the Trust is to promote a high standard of care and education for children within a safe, stimulating environment, delivered by motivated high quality staff.

At the start of the year the Governing Board addressed the financial challenge that the school, like many other schools face. A restructuring and redundancy process took place. The school worked hard to safeguard teaching and as a result a restructuring of site team, administration and learning assistants took place. This resulted in one administration role being made redundant, restructuring of another and reduction of hours. Within the site team one member of staff was made redundant and another had their hours reduced. In terms of learning assistants, there were a number of TAs who had TA3 contracts but were not doing a TA3 role. All of the TA3 roles that were not being utilised were made redundant.

During the year the school has continued to focus on maintaining the strengths identified in OFSTED (February 2019) whilst also addressing the areas identified for development.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Objects and aims (cont'd)**

The Learning Improvement Plan September 2019-2020 identified the academic focus for the year which were closely aligned with the areas for improvement identified by OFSTED in February 2019 and the schools own self-evaluation.

- 1 **IMPROVE THE QUALITY OF LEADERSHIP & MANAGEMENT – with a major focus on governor effectiveness, safeguarding, preparing pupils for life in modern Britain, leadership of SEND and curriculum provision.**
- 2 **IMPROVE THE QUALITY OF TEACHING, LEARNING AND ASSESSMENT – to raise standards & improve progress, particularly for more able & SEND pupils and ensure consistency across the school.**
- 3 **IMPROVE EARLY YEARS PROVISION – with a focus on teaching and challenge for more able, ensuring all staff contribute to assessments to inform next steps in learning and improve staff questioning to support learning.**

Good progress was made against all key priorities however the closure of the school and Nursery in March has meant that elements of the key priorities for 2019-2020 have carried over into the next academic year.

Demand for both Nursery provision and The Ark (wraparound) remained high but again unfortunately both were forced to close in March as a result of the national lockdown. Nursery reopened in June but with only a 50% capacity due to staffing ratios and demand for places.

**COVID19 Response**

Like many other Academies COVID-19 has had an impact on the Academy financial position at the end of 2020. Additional virus control measures have had to be put in place in order for the school to respond to directives from Government and DFE and to ensure the school environment is COVID secure. These virus control measures have incurred additional costs for the purchase of PPE, hand sanitising stations etc. Fundraising has been impacted as the Academy has a very active PTA who had to cancel their biggest fundraiser of the academic year a Summer Fayre alongside smaller events which provide much needed funds for the school. The PTA were still able to commit to the purchase of equipment to improve the outdoor play spaces but the purchase of new staging has had to be placed on hold. During the first lockdown all school staff were placed on a rota to support the key worker children, this helped greatly with staff morale and well-being. As the trust reopened from 1st June to more children the impact of additional workload on staff was great. The planning time in order for the safe reopening was immense with staff working in 'bubbles' with only a short break during the day. Teachers were having to teach a 'bubble' during the day whilst also providing home learning for the children who were not in the identified year groups or for children whose parents had chosen for them not to return to school. Despite all of this staff absence was low for the Summer term and attendance of children was good.

The forced closure of the nursery and wrap around clubs impacted greatly on income in the Summer term and this remains an ongoing concern for the future should there be any further National Lockdown. Closing the Nursery and wraparound again puts the trust at risk in the future of lack of funding for non-funded staff along with falling pupil numbers moving forward which would have negative impact on subsequent funding.

Following the external review of governance that took place in April 2019 the Governing Board continued to focus on the four key recommendations of:

- 1 Ensuring clarity of vision, ethos and strategic direction;
- 2 Holding the head teacher to account for the educational performance of the school and pupils;
- 3 Overseeing financial performance of the school and making sure money is well spent;
- 4 Effective governance practice.

The governing board identified that this was to be a 12-15 month journey, so that by the end of the academic year (July 2020) the governing board would be operating in the new way with the new structure and clarity of roles, responsibilities and execution in order to better support the leadership team at school and the impact on pupil performance accordingly.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**

Although, the governing board have reviewed and are implementing the recommendations the unprecedented situation that we all found ourselves in March 2020 has meant that the governing board have not fully implemented and embedded all of the recommendations. Although good progress has been made. The appointment of two governors who have an educational background has enhanced the skills of the governing body greatly, in direct response to the needs identified within our skills audit.

Outside of these priorities, the Governing Board and Senior Leadership team continued to keep under review future governance options for the School, including the development of Multi Academy Trusts. During 2019-2020 a series of introductions took place between members of the governing board and neighbouring MATs. Discussions took place about operational and financial considerations and how joining a MAT would enhance the pupils and teaching staff experiences. Four separate MATs have been met, with ongoing dialogue underway. It is anticipated that the Governing Board will make a recommendation during the 2020-21 academic year as to the Trust intention with respect to MAT membership.

**Strategic Report****Achievements and performance**

The Governing Board works closely with the Senior Leadership Team to ensure that we continue to maintain the areas of strength identified in the OFSTED report whilst also addressing the areas for development. A new EYFS teacher and Year 1 teacher were appointed to strengthen Early Years and Key Stage 1 who took up post in September. A new SENDCo was appointed on a 0.3 contract to lead on SEND. This has meant the leadership for SEND has been clarified and that the provision for SEND pupils is now checked more carefully.

Parental support for the school and children's achievement is high particularly with homework and communication. During lockdown parents were supportive of the remote learning that was in place and offered constructive feedback through a survey of how it could be improved further. It was clear that some families did not have access-to or were sharing technological equipment, as a result the school purchased 15 laptops which could then be loaned-out free of charge to such families as needed.

During lockdown a number of small site jobs were completed included the painting of three classrooms, new carpet in Year 2, rendering of outside walls and the fixing of nursery drainage issues in the outdoor area.

In Autumn and early Spring the PTA raised funds through planned events including a Firework evening and Christmas Fayre. Money raised was spent on improving the playgrounds through new floor markings, new play equipment, benches and play tables.

Due to lockdown the school has no validated data in terms of SATs (year2 and year 6), EYFS (Reception), multiplication (year 4) or phonics (year 1).

**Strategy for the year ahead:**

Our school motto is 'In God's family, learning, loving and growing to be our very best', "I have come that they may have life and have it to the full" (John 10:10) and this very much reflects the stage of redevelopment at the Academy today. Moving forward, our strategy falls into these areas:

- 1 Implement a robust COVID curriculum recovery  
The school has analysed the Covid 19 provision and impact for all pupils during the period of restricted school opening and identified gaps in learning for pupils in all year groups which need to be addressed
- 2 To continue with the re-energising, retraining and reconstitution of the Governing Body  
Following the Ofsted report and external review the Governing board had reflected on our individual commitment and skills and knowledge, along with a greater segregation between the operation and strategic roles required. The GB has made significant strides in terms of working with the school on a single plan, and monitoring of results through a mix of school visits and data analysis.
  - a. Information technology and cyber-security are emerging areas of need for this year, where we rely heavily on the managed services provided by Warwickshire Education Services (WES).

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**

- b. Continue with the retraining of the governing board using a mix WES Governor services and the National Governor Association (NGA) e-learning. The Governing board also attend diocesan events as and when they become available.
  - c. At least one member of the governing body has announced their resignation, and so we will be recruiting to replace that member with a key requirement for finance and accounting skills to strengthen our skills in the resources committee.
- 3 To prioritise teaching and learning, and our engagement with the diocese.
- a The focus of the board and leadership team is absolutely onto our pupil wellbeing and academic experience especially after 2019-2020 when the school was closed from March. Reporting has been restructured in line with the independent review and we have a single learning improvement plan for the year ahead, around which all activity and investment is prioritise. Data is being sought and monitored around these priority areas, and cross-referenced in line with best practice through monitoring visits, specialist subject expertise and stakeholder engagement.
  - b It has been 5 years since our last Statutory Inspection of Anglican and Methodist Schools (SIAMS) audit. A workstream has been established under the leadership of our Vice-Chair and Head Teacher and is to be a wonderful opportunity to recontract with our Vision.

Finally, the Academy would like to review and recontract with our stakeholders and the wider community; it is our ambition to refresh our vision in the next year, and we would like to seek input from school staff, pupils, parents and our local community in conjunction with the Diocese to consider what we might achieve in the next five years of our stewardship of this fantastic school.

**Public benefit**

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

**Key Financial Performance Indicators**

The trust established a financial budget at the start of the year and then monitored performance against budget during the period. Considerable work is undertaken in forecasting to ensure the continued financial viability of the academy. Trustees play a key role in holding the Senior Leadership Team to account in key financial matters.

	<b>2020</b>	<b>2019</b>
Pupil Numbers	250	243
Staff costs as a % of revenue grant income	105%	112%
Staff costs as a % of total revenue income	90%	90%
Staff costs as a % of total costs	79%	77%
Capital expenditure per pupil	£48	£27

**Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies. The Balance Sheet shows a net liability position when including the Local Government Pension Scheme liability. The trustees note that in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

The Financial performance of the Trust in this accounting period has been challenging. There has been no overall increase in Government Funding over the last five years and the Academy has increasingly relied upon additional income generated by the Nursery, The Ark, The Tanworth Educational Foundation, the PTA and other donations and fund raising activities to balance the budget. This year the income for the Nursery and The Ark is considerably reduced as a direct result of the school and Nursery closing in March.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Financial review**

The unrestricted income funds, including carry over from last year, have decreased to £73,000 (2019: £101,000), as have total funds which have reduced to a deficit of £757,000 (2019: £725,000 deficit). The pension reserve liabilities in the year, increased to a deficit to £913,000 (2019: £916,000) deficit.

**Reserves policy**

Reserves will be held for the school, nursery and Ark, for both revenue and capital purposes. The ambition is to retain revenue reserve of 5% of the annual school budget, and for the Nursery and The Ark 10% of the annual combined budget.

The school revenue reserves will be used by the academy to cover any unplanned or unexpected expenditure in the annual school budget. School reserves may only be spent on the school.

Any remaining nursery and Ark revenue reserves will be used to enhance the facilities and services offered to the children as well as supporting the nursery and ark business plan and covering any unplanned expenditure in the budgets. Nursery and Ark reserves may also be spent in any area of the Academy.

Any additional reserves will be retained by the governing body to build funds to meet future capital expenditure associated with the asset management of the Academy.

The total value of unrestricted funds is £73,000 (2019: £101,000). After deducting the levels of revenue reserves defined above, the future capital expenditure fund stands at £52,000 (2019: £90,000).

Disclosure of funds in deficit is also included in the Funds Note in the financial statements (note 15).

**Investment policy and powers**

Cash reserves are invested in short or medium term deposit accounts at Lloyds Bank. This policy has been adopted by the Governing Body as a low risk, easy cash access strategy which suits the Academy's finances and business management. No alternative investment strategies have been considered.

**Principal risks and uncertainties**

Risk Management is reviewed regularly by the trustees and the Senior Leadership Team across ten key areas: Admissions, Staffing, Curriculum and Standards, Finance, Technology, Health and Safety, Property, Governance, Data Protection and Pupil Wellbeing. In the analysis, areas of risk are identified and rated and control procedures are defined. Where action can be taken to mitigate risk, an action plan is developed and monitored at Resources Committee meetings.

Cuts in the real level of overall government funding for the school, combined with increasing employment costs that are not within the Trust's control, are an issue of serious concern, given that our school has comparatively little Pupil Premium funding and adequate reimbursement for expenditure for children with special needs or disabilities is now difficult to obtain from the LEA. The General Annual Grant also fails to keep pace with the general upward pressure on our fixed costs, such as pension contributions for both teaching and support staff.

The principal risk to the Academy Trust is a reduction in numbers of pupils at the school. At present, admissions to Reception continue to be over-subscribed, but retention of children throughout the school is likely to be driven by the delivery of high levels of pupil attainment.

The school leadership team and Governing Board continue to monitor and adapt plans related to the ongoing Covid 19 pandemic.

**Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is to seek support from through the Parent Teacher Association which is a separate body which exists for the purpose of raising funds to support the School and Nursery.

A voluntary funding arrangement equivalent to a monthly subscription was introduced in Autumn 2019. Initial uptake was 6 however once the school closed in March a number of parents redacted their monthly subscription. The PTA contributions were also greatly reduced in 19-20 due to the pandemic however the PTA had agreed to fund playground equipment and a Music scheme out of their funds to the total of £7116.70

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**

**Auditors**

In so far as the Trustees are aware:

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

A resolution proposing that UHY Hacker Young (Birmingham) LLP be reappointed as auditor of the charitable company will be put to the members.

The Trustees' Report incorporating a strategic report was approved by the board of trustees, as the company directors on 3 December 2020 and signed on their behalf by:



.....  
**Mr Robert Prince**  
**Chair of Trustees**

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020****Scope of responsibility**

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

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tanworth In Arden Academy Trust and the Secretary of State for Education. The Headteacher is 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 11 times in the period.

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr Robert Prince (Chair of Governors)	11	11
Mrs Pat Saunders (Vice Chair of Governors)	10	11
Mr John Jeffery (Chair of Resources and Parent)	10	11
Mrs Amy Stewart (Chair of Performance and Standards)	3	11
Mr Craig Scriven (Health and Safety)	11	11
Mrs Ann Field (SEND)	7	11
Rev Paul Cudby (Vicar)	3	11
Mrs Shelley Bamford (Principal)	11	11
Ms Helena Mikula (Safeguarding)	11	11
Ms Lorna Smith (Parent)	6	11
Mr Denis Kynaston (Pupil Premium and Sports Premium)	11	11
Mrs Sue Maher (PSHE and Wellbeing)	9	11
Ms Kelly Cutler (Staff)	9	11

**Governance reviews**

The most recent external review of Governance was carried out by Endene Associates in April 2019.

The Ofsted report and insight provided from the external review brought home how expectations of governance were ever-increasing, along-with governor workload. The external review allowed us to reflect on our individual commitment and skills and knowledge, along with a greater segregation between the operation and strategic roles required.

- 1 To address skills-gaps within the GB. A skills matrix was undertaken by the board members, and identified a real gap in our educational knowledge and data analysis. The churn of some existing members has allowed targeted recruitment to new roles, and two new governor appointments were made who are both full time employees within the education sector bringing valuable new skills.
- 2 Retrain the governing board. A significant investment is being leveraged for board training, both individually and collectively. The school has joined the Warwickshire Education Service for the next academic year, and governors are being mandated to take advantage of this range of courses and e-learning. Specialist programmes for the new Chair and Clerk to the Governing Board have been identified and undertaken through the NGA.
- 3 Following inspection, the board decided to reduce to a longer Full Governing Body meeting to accommodate Pupil Wellbeing and Learning and Achievement sub-committees in order to give board members a deeper knowledge of school data and performance. Resources committee remained standing. This was reviewed as the meetings became too long. With support from Nicole at Endene, we changed to the structure of a Performance and Standards Committee and a Resources committee, with designated governors and staff who have the detailed scrutiny, oversight and decision making authority on behalf of the full board. . The scheme of delegation was revised accordingly to reflect the new structure, which began in earnest in September 2019.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**

The Chair has enrolled and embarked upon the NGA-led course for Chairs of Governors. The strategy and structure of the Trustees has been peer-reviewed separately by:

- 1 the tutor and fellow members of the course
- 2 the Birmingham diocese
- 3 MM an independent advisor

In addition to the statutory meetings, a series of ad-hoc conference calls were arranged and attended as needed. As Covid 19 pandemic initiated lock-down, Governors continued to meet using the Microsoft Teams platform, facilitating more frequent meetings over the March-April period to respond dynamically to the changing demands on the school and its staff.

The Board of trustees has met 6 times this year. Effective oversight of the academy trust funds is maintained by:

- regular meetings on matters of financial importance led by the Resources Committee;
- review of monthly management accounts;
- regular monitoring and review of the school performance data by the performance and standards committee.

**Review of value for money**

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer continues to deliver value for money, supported by the Academy Finance Officer and monitored by the Governing Board Resources Committee. For example:-

- Change from National to local contractor for door security, delivering a more responsive and rapid service, and lower cost subscription and callout charges
- ICT refresh teacher laptops from desktops great for remote working particularly in response to COVID
- Appointment of Southalls H&S consultancy to reduce our admin burden and provide cloud based risk assessment and register, alongside ongoing specialist advice thus mitigating local authority annual costs for inspection & training
- Rendering project and Construction of the new Key Stage 1 shelter funded by the Tanworth Education Foundation
- The creation of a contract database itemising our external spend, contract numbers, dates, values and commissioners to better understand what is our addressable spend. Furthermore, any retendering has been considered clustering with local schools to derive better contract volume and value.

**The purpose of the system of internal control**

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

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020****Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been developed in the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

**The risk and control framework**

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

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

**Internal Scrutiny**

The Academy has a programme of internal scrutiny to provide independent assurance to the board that its financial and non financial controls and risk management procedures are operating effectively. To this effect the Trustees appointed at the commencement of the financial year, UHY Hacker Young, to undertake this work. The Trustees identified on a risk basis the following areas to be reviewed during the course of the financial year:-

- Management Information - format of Management Accounts, quality standard of bank reconciliations, preparation of accruals and prepayments, identification of capital expenditure, maintaining debtors and creditors, income reconciliation against remittances and key financial performance indicators.
- Procurement & Budget Settings -that procurement policies are consistently applied in line with the Academies scheme of delegation and the appropriate information is used to prepare budgets in a timely manner and issued to the Board with appropriate budget setting parameter details.
- UHY Hacker Young (Birmingham) LLP reported 'no significant issues or concerns have come to our attention'. A number of recommendations to further enhance internal controls were identified and the Trustees together with the Finance Officer will look to implement.

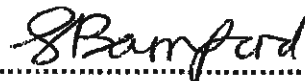
**Review of effectiveness**

As Accounting Officer, The Head Teacher has ongoing responsibility for reviewing the effectiveness of the system of internal control.

Approved by order of the board of trustees on 3 December 2020 and signed on its behalf by:



Mr Robert Prince  
Chair of Trustees



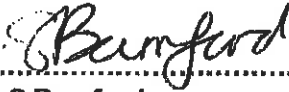
Mrs Shelley Bamford  
Headteacher

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020**

As Accounting Officer of Tanworth in Arden Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



.....  
**Mrs S Bamford**  
**Accounting Officer**

**3 December 2020**

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

The trustees (who act as governors of Tanworth in Arden Academy Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy 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 the 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 on 3 December 2020 and signed on its behalf by:



.....  
**Mr R Prince**  
**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANWORTH IN ARDEN ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2020****Opinion**

We have audited the financial statements of Tanworth in Arden Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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.

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the 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 trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, governance statement, statement on regularity, propriety and compliance and statement of trustees responsibilities other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANWORTH IN ARDEN ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Other information (cont'd)**

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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the governors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the governors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the governors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

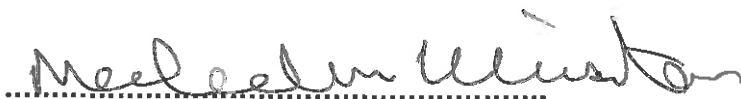
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANWORTH IN ARDEN ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Auditor's responsibilities for the audit of the financial statements (cont'd)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Malcolm Winston**  
**Senior Statutory Auditor**  
**UHY Hacker Young (Birmingham) LLP, Statutory Auditor**  
**9-11 Vittoria Street**  
**Birmingham**  
**B1 3ND**

**3 December 2020**

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO TANWORTH IN ARDEN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020**

In accordance with the terms of our engagement letter dated 28 July 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 the Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Tanworth in Arden Academy Trust and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Tanworth in Arden Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Tanworth in Arden Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Tanworth in Arden Academy Trust funding agreement with the Secretary of State for Education dated 9 December 2011, and the Academies Financial Handbook extant from 1 September 2019 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO TANWORTH IN ARDEN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Approach (cont'd)**

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the Academy Trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the Academy Trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy Trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the Academy Trust's charitable objectives.

**Conclusion**

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



Reporting Accountant  
UHY Hacker Young (Birmingham) LLP  
9-11 Vittoria Street  
Birmingham  
B1 3ND

3 December 2020

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020**  
**(Including Income and Expenditure Account)**

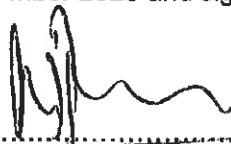
		Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
	Note					
<b>Income from:</b>						
Donations and capital grants						
Charitable activities:						
- Funding for the Academy Trust's educational operations	3	14	35	6	55	71
Other trading activities	4	14	957	-	971	945
Investment income	5	129	-	-	129	159
	6	-	-	-	-	-
<b>Total</b>		<b>157</b>	<b>992</b>	<b>6</b>	<b>1,155</b>	<b>1,175</b>
<b>Expenditure on:</b>						
Raising funds	7	185	-	-	185	196
Charitable activities:						
- Academy Trust's educational operations	7 & 8	-	1,082	44	1,126	1,158
<b>Total</b>	7	<b>185</b>	<b>1,082</b>	<b>44</b>	<b>1,311</b>	<b>1,354</b>
<b>Net income/(expenditure)</b>		<b>(28)</b>	<b>(90)</b>	<b>(38)</b>	<b>(156)</b>	<b>(179)</b>
Transfers between funds	15	-	-	-	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain/(loss) on defined benefit pension schemes	25	-	124	-	124	(411)
<b>Net movement in funds</b>		<b>(28)</b>	<b>34</b>	<b>(38)</b>	<b>(32)</b>	<b>(590)</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>101</b>	<b>(916)</b>	<b>90</b>	<b>(725)</b>	<b>(135)</b>
<b>Total funds carried forward</b>	15	<b>73</b>	<b>(882)</b>	<b>52</b>	<b>(757)</b>	<b>(725)</b>

All of the Academy Trust's activities derive from acquisitions and continuing operations during the above two financial periods.

## BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	12	47	79
		<u>47</u>	<u>79</u>
<b>Current assets</b>			
Debtors	13	36	36
Cash at bank and in hand		156	147
		<u>192</u>	<u>183</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	14	(83)	(71)
<b>Net current assets</b>		<u>109</u>	<u>112</u>
<b>Total assets less current liabilities</b>		<b>156</b>	<b>191</b>
Creditors: Amounts falling due after more than one year		-	-
<b>Net assets excluding pension liability</b>		<u>156</u>	<u>191</u>
Defined benefit pension scheme liability	25	(913)	(916)
<b>Total net liabilities</b>		<u>(757)</u>	<u>(725)</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	15	52	90
- Restricted income fund	15	31	-
- Pension reserve	15	(913)	(916)
<b>Total restricted funds</b>		<u>(830)</u>	<u>(826)</u>
<b>Unrestricted income fund</b>	15	<u>73</u>	<u>101</u>
<b>Total unrestricted funds</b>		<u>73</u>	<u>101</u>
<b>Total funds deficit</b>		<u>(757)</u>	<u>(725)</u>

The financial statements on pages 21 to 41 were approved by the trustees and authorised for issue on 3 December 2020 and signed on their behalf by:



Mr R Prince  
Chair of Trustees

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	2019 £'000
Net cash provided by/(used in) operating activities	19	15	(10)
Cash flows from investing activities	20	(6)	11
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		<u>9</u>	<u>1</u>
Cash and cash equivalents at 1 September	22	147	146
Cash and cash equivalents at 31 August	22	<u>156</u>	<u>147</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020****1 Statement of Accounting Policies**

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

**Basis of Preparation**

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

Tanworth in Arden Academy Trust meets the definition of a public benefit entity under FRS 102.

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

**Income**

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

**● Grants**

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

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

**● Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

**● Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

**● Other income**

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

**● Donated goods, facilities and services**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**

- **Donated goods, facilities and services (cont'd)**

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 a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

**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.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

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

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

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Plant and Machinery	25% straight line
Fixtures and Fittings	25% straight line
Computer Equipment and Software	33% straight line

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Tangible Fixed Assets (cont'd)**

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

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

The Tanworth Educational Foundation (TEF) have given permission for Tanworth in Arden Academy Trust to use their land and buildings on conversion to an Academy. This permission is via a Tenancy at Will agreement and is given subject to the understanding that TEF retains ownership of the land and buildings and retain all rights and obligations that currently exist.

**Leased assets**

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

**Financial Instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instrument, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

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

**Pensions Benefits**

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****Pensions Benefits (cont'd)**

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.

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

***Critical accounting estimates and areas of judgement***

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

***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Critical areas of judgement**

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

**2 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020 (see note 15).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Devolved formula capital grant	-	6	6	17
Voluntary donations	14	35	49	54
	<u>14</u>	<u>41</u>	<u>55</u>	<u>71</u>

The income from donations and capital grants was £55,000 (2019: £71,000) of which £14,000 (2019: £28,000) was unrestricted, £35,000 (2019: £26,000) restricted and £6,000 (2019: £17,000) restricted fixed assets. Voluntary restricted donations relates to Tanworth Education Foundation grant.

**4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	721	721	746
Teachers pay grant	-	11	11	7
Teachers pension grant	-	31	31	-
Other DfE/ESFA grants	-	74	74	77
	<u>-</u>	<u>837</u>	<u>837</u>	<u>830</u>
<b>Other Government grants</b>				
Local Authority - SEN	-	33	33	38
Local Authority - pupil premium	-	-	-	1
Local Authority - early years	-	87	87	76
	<u>-</u>	<u>120</u>	<u>120</u>	<u>115</u>
<b>Exceptional Government funding</b>				
Coronavirus Job Retention Scheme grant	14	-	14	-
Coronavirus exceptional support	-	-	-	-
Other Coronavirus funding	-	-	-	-
	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
	<u>14</u>	<u>957</u>	<u>971</u>	<u>945</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The academy furloughed some of its nursery staff under the government's CJRS. The funding received of £13,710 relates to staff costs in respect of nursery staff which are included within notes 7 and 8.

The income from the Academy Trusts's educational operations was £971,000 (2019: £945,000) of which £14,000 (2019: £Nil) was unrestricted and £957,000 (2019: £945,000) restricted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

## 5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Lettings	2	-	2	5
Nursery and ARK fees	123	-	123	147
Other income	4	-	4	7
	<u>129</u>	<u>-</u>	<u>129</u>	<u>159</u>

The income from the Academy Trusts's other trading activities was unrestricted for both 2020 and 2019.

## 6 INVESTMENT INCOME

Bank interest received

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Bank interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the Academy Trusts's investment income was unrestricted for both 2020 and 2019.

## 7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2020 £'000	Total 2019 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	149	-	36	185	196
Academy's educational operations					
- Direct costs	658	-	69	727	736
- Allocated support costs	230	113	56	399	422
	<u>888</u>	<u>113</u>	<u>125</u>	<u>1,126</u>	<u>1,158</u>
	<u>1,037</u>	<u>113</u>	<u>161</u>	<u>1,311</u>	<u>1,354</u>

The expenditure was £1,311,000 (2019: £1,354,000) of which £185,000 (2019: £124,000) was unrestricted, £1,082,000 (2019: £1,175,000) restricted and £44,000 (2019: £55,000) restricted fixed assets.

	Total 2020 £'000	Total 2019 £'000
<b>Net income/(expenditure) for the year includes:</b>		
Operating lease rentals	1	1
Depreciation	44	55
Fees payable to auditor for:		
- audit	4	4
- other services	4	4
	<u>4</u>	<u>4</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

<b>8 CHARITABLE ACTIVITIES</b>	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
Direct costs - educational operations	727	736
Support costs - educational operations	399	422
	<u>1,126</u>	<u>1,158</u>
<b>Analysis of Support Costs</b>		
Support staff costs	230	219
Depreciation	44	55
Technology costs	16	32
Premises costs	69	60
Legal costs- other	3	0
Other support costs	29	27
Governance	8	29
	<u>399</u>	<u>422</u>
<b>9 STAFF COSTS</b>	<b>2020</b>	<b>2019</b>
a Staff costs during the year were:	<b>£'000</b>	<b>£'000</b>
Wages and salaries	704	736
Social security costs	55	53
Pension costs	270	213
	<u>1,029</u>	<u>1,002</u>
Agency Supply staff costs	7	26
Staff restructuring costs	1	2
	<u>1,037</u>	<u>1,030</u>
Staff restructuring costs comprise:		
Redundancy payments	1	-
Severance payments	-	1
Other restructuring costs	-	1
	<u>1</u>	<u>2</u>

**b Staff severance payments**

Included in staff restructuring costs is £Nil (2019 : £1,200) non statutory/non contractual severance payments. Individually the payments were for £1,200 (25 October 2018).

**c Staff numbers**

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2020 expressed as whole persons was as follows:

<b>Charitable Activities</b>	<b>2020 No</b>	<b>2019 No</b>
Teachers	8	9
Administration and support	30	35
Management	3	2
	<u>41</u>	<u>46</u>

**d Higher paid staff**

There were no employees whose approved remuneration was £60,000 or more.

**e Key management personnel**

The key management of the Academy Trust comprise the trustees and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £213,849 (2019: £174,203).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

**10 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other staff trustees receive remuneration in respect of their contracts of employment as Head Teacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

Mrs S Bamford (Head Teacher and Trustee)		
Remuneration	£55,000 - £60,000	(2019: £50,000 - £55,000)
Employers pension contributions	£10,000 - £15,000	(2019: £5,000 - £10,000)
Mr S Baskott (Staff Trustee)		
Remuneration	£Nil	(2019: £Nil)
Employers pension contribution	£Nil	(2019: £10,000)
Mrs K Cutler (Staff Trustee)		
Remuneration	£40,000 - £45,000	(2019: £Nil)
Employers pension contribution	£5,000 - £10,000	(2019: £Nil)

During the year ended 31 August 2020, there were no travel and subsistence expenses reimbursed or paid to trustees (2019: £99 to 1 trustee).

Other related party transactions including trustees are set out in note 27.

**11 TRUSTEES' AND OFFICERS' INSURANCE**

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

## 12 TANGIBLE FIXED ASSETS

	Plant & Machinery £'000	Computer Equipment £'000	Fixtures & Fittings Equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2019	110	64	169	343
Additions	-	7	5	12
Disposals	-	-	-	-
At 31 August 2020	<u>110</u>	<u>71</u>	<u>174</u>	<u>355</u>
<b>Depreciation</b>				
At 1 September 2019	84	51	129	264
Charged in year	11	8	25	44
Disposals	-	-	-	-
At 31 August 2020	<u>95</u>	<u>59</u>	<u>154</u>	<u>308</u>
<b>Net book value</b>				
At 31 August 2020	<u>15</u>	<u>12</u>	<u>20</u>	<u>47</u>
At 31 August 2019	<u>26</u>	<u>13</u>	<u>40</u>	<u>79</u>

The academy trust company occupies land (including buildings) which are owned by the Tanworth Educational Foundation (TEF). The TEF owned the land and buildings on the same basis as when the academy was a voluntary aided school. The academy trust company occupies the land (and buildings) under a Tenancy at Will Agreement. This continuing permission of the TEF is pursuant to, and subject to, the TEF's charitable objects. The agreement delegates the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Tenancy at Will agreement as approved by the Secretary of State is terminable at any time by either party. Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

	2020 £'000	2019 £'000
<b>13 DEBTORS</b>		
Trade debtors	8	4
VAT recoverable	1	6
Prepayments and accrued income	<u>27</u>	<u>26</u>
	<u>36</u>	<u>36</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

## 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Trade creditors	16	23
Other taxation and social security	11	12
Accruals	20	10
Other Creditors	16	4
Deferred income	20	22
	<u>83</u>	<u>71</u>
<b>Deferred Income</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income at 1 September 2019	22	20
Resources deferred in the year	20	22
Amounts released from previous years	(22)	(20)
Deferred income at 31 August 2020	<u>20</u>	<u>22</u>

At the balance sheet date the academy was holding funds received in advance for 2020/21 for UIFSM grant £20,120 (2019: £21,041) and PGL Deposits £Nil (2019: £1,450).

## 15 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	-	721	(696)	-	25
Pupil premium grant (note ii)	-	16	(16)	-	-
Other DfE/ESFA grants (note iii)	-	100	(100)	-	-
Special needs grant - WCC (note iv)	-	33	(33)	-	-
Early years grant - WCC (note v)	-	87	(87)	-	-
TEF Foundation grant (note vi)	-	35	(29)	-	6
	<u>-</u>	<u>992</u>	<u>(961)</u>	<u>-</u>	<u>31</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants (note vii)	31	6	(21)	-	16
Capital expenditure from GAG	17	-	(5)	-	12
Capital expenditure from unrestricted funds (note viii)	35	-	(14)	-	21
Capital donations	7	-	(4)	-	3
	<u>90</u>	<u>6</u>	<u>(44)</u>	<u>-</u>	<u>52</u>
<b>Restricted pension scheme liability</b>					
Pension reserve (note ix)	(916)	-	(121)	124	(913)
	<u>(916)</u>	<u>-</u>	<u>(121)</u>	<u>124</u>	<u>(913)</u>
<b>Total restricted funds</b>	<b>(826)</b>	<b>998</b>	<b>(1,126)</b>	<b>124</b>	<b>(830)</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note x)	101	157	(185)	-	73
<b>Total unrestricted funds</b>	<u>101</u>	<u>157</u>	<u>(185)</u>	<u>-</u>	<u>73</u>
<b>Total funds</b>	<u><b>(725)</b></u>	<u><b>1,155</b></u>	<u><b>(1,311)</b></u>	<u><b>124</b></u>	<u><b>(757)</b></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

## 15 FUNDS (cont'd)

## Notes

- i) General Annual Grant must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2020 (see note 2).
- ii) Pupil Premium grant has been used to support children from low income families placed at the
- iii) Other DfE/ESFA grants has been used to support physical education and free school meals at the school.
- iv) Special needs grant from WCC has been used to support pupils with learning or behavioural issues by providing teaching and teaching assistant support.
- v) Early years grant from WCC has been used to support the education 3 and 4 year olds at the
- vi) TEF Foundation grant has been used to support school resources.
- vii) DfE/ESFA capital grants relates to the Devolved Formula Capital grant provided for capital expenditure requirements.
- viii) The gross transfer from the unrestricted fund to the restricted fixed asset fund of £Nil (2019: £Nil) represents the total capital expenditure from unrestricted funds during the year.
- ix) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).
- x) Unrestricted income relates to parental fees for Nursery and ARK.

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

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

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Balance at Losses & 31 August Transfers £'000	2019 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	-	746	(863)	117	-
Pupil premium grant (note ii)	-	19	(19)	-	-
Other DfE/ESFA grants (note iii)	-	66	(66)	-	-
Special needs grant - WCC (note iv)	-	38	(38)	-	-
Early years grant - WCC (note v)	-	76	(76)	-	-
TEF Foundation grant (note vi)	-	26	(26)	-	-
	-	971	(1,088)	117	-
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	50	17	(36)	-	31
Capital expenditure from GAG	18	-	(1)	-	17
Capital expenditure from	49	-	(14)	-	35
Capital donations	11	-	(4)	-	7
	128	17	(55)	-	90
<b>Restricted pension scheme liability</b>					
Pension reserve (note ix)	(418)	-	(87)	(411)	(916)
	(418)	-	(87)	(411)	(916)
<b>Total restricted funds</b>	<b>(290)</b>	<b>988</b>	<b>(1,230)</b>	<b>(294)</b>	<b>(826)</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note x)	155	187	(124)	(117)	101
<b>Total unrestricted funds</b>	<b>155</b>	<b>187</b>	<b>(124)</b>	<b>(117)</b>	<b>101</b>
<b>Total funds</b>	<b>(135)</b>	<b>1,175</b>	<b>(1,354)</b>	<b>(411)</b>	<b>(725)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

## 16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed	-	-	-	47	47
Current assets	73	-	114	5	192
Current liabilities	-	-	(83)	-	(83)
Pension scheme liability	-	(913)	-	-	(913)
	<u>73</u>	<u>(913)</u>	<u>31</u>	<u>52</u>	<u>(757)</u>

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed	-	-	-	79	79
Current assets	101	-	71	11	183
Current liabilities	-	-	(71)	-	(71)
Pension scheme liability	-	(916)	-	-	(916)
	<u>101</u>	<u>(916)</u>	<u>-</u>	<u>90</u>	<u>(725)</u>

## 17 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

2020  
£'0002019  
£'000

Authorised by trustees, but not yet contracted

Nil  
Nil

## 18 COMMITMENTS UNDER OPERATING LEASES

*Operating leases*

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

	2020 Other £'000	2019 Other £'000
- Amounts due within one year	3	1
- Amounts due between one and five years	6	2
	<u>9</u>	<u>3</u>

## 19 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £'000	2019 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(156)	(179)
Adjusted for:		
Depreciation (note 12)	44	55
Capital grants from DfE and other capital income	(6)	(17)
Interest receivable	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	103	75
Defined benefit pension scheme finance cost (note 26)	18	12
Decrease in debtors	-	52
Increase/(decrease) in creditors	12	(8)
<b>Net cash provided by/(used in) operating activities</b>	<u>15</u>	<u>(10)</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

	2020 £'000	2019 £'000	
<b>20 CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	-	-	
Purchase of tangible fixed assets	(12)	(6)	
Capital grants from DfE/ESFA	6	17	
Capital funding received from sponsors and others	-	-	
<b>Net cash (used in)/provided by investing activities</b>	<b>(6)</b>	<b>11</b>	
<b>21 CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowing	-	-	
Cash inflows from new borrowing	-	-	
<b>Net cash (used in)/provided by financing activities</b>	<b>-</b>	<b>-</b>	
<b>22 ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>At 31 Aug 2020 £'000</b>	<b>At 31 Aug 2019 £'000</b>	
Cash in hand and at bank	156	147	
<b>Total cash and cash equivalents</b>	<b>156</b>	<b>147</b>	
<b>23 ANALYSIS OF CHANGES IN NET DEBT</b>	<b>At 1 September 2019 £'000</b>	<b>Cash Flows £'000</b>	<b>At 31 Aug 2020 £'000</b>
Cash at bank	147	-	147
Overdraft	-	-	-
	<b>147</b>	<b>-</b>	<b>147</b>
Loans within one year	-	-	-
Loans within more than one year	-	-	-
	<b>147</b>	<b>-</b>	<b>147</b>

**24 CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**25 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****26 PENSION AND SIMILAR OBLIGATIONS**

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

The total pension cost to the Academy during the year ended 31 August 2020 was £270,000 (2019: £213,000) of which £79,000 (2019: £57,000) relates to the TPS and £191,000 (2019: £156,000) relates to LGPS.

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

Contributions amounting to £15,794 were payable to the schemes at 31 August 2020 (2019: £Nil).

**Teachers' Pension Scheme****Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration
- 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 costs paid to TPS in the period amounted to £79,000 (2019: £57,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

**26 PENSION AND SIMILAR OBLIGATIONS (cont'd)****Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2020 was £211,000 (2019: £175,000) of which employers contributions totalled £191,000 (2019: £156,000) and employees contributions totalled £20,000 (2019: £19,000). The agreed contributions for future years are 17.9% (2019: 17.9%) for employers and 5.5% to 6.5% (2019 : 5.5% to 6.5%) for employees.

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

**Principal Actuarial Assumptions**

The major assumptions used by the actuary were:

	At 31 August 2020	At 31 August 2019
	% per annum	% per annum
Discount rate	1.7%	1.9%
Salary increases	3.0%	2.9%
Pension increase	2.2%	2.3%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2020	At 31 August 2020	At 31 August 2019	At 31 August 2019
	Approx Increase to Employers Liability %	Approx Increase to Employers Liability £'000	Approx Increase to Employers Liability %	Approx Increase to Employers Liability £'000
Discount rate reduced by 0.5% per annum	15%	310	21%	379
Assumed pension increased by 0.5% per annum	14%	299	20%	356
Salary growth increased by 0.5% per annum	0%	7	1%	18

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
Longevity at age 65 retiring today		
- Men	21.6	21.4
- Women	23.8	23.6
Longevity at age 65 retiring in 20 years		
- Men	22.5	22.4
- Women	25.4	25.0

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

## 25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

## Local Government Pension Scheme (cont'd)

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equity instruments	719	551
Debt instruments	300	235
Property	156	108
Cash	24	9
<b>Total market value of assets</b>	<b>1,199</b>	<b>903</b>
<b>Present value of scheme liabilities</b>		
- Funded	(1,199)	(903)
- Unfunded	(913)	(916)
<b>Total liabilities</b>	<b>(2,112)</b>	<b>(1,819)</b>
<b>Deficit in the scheme</b>	<b>(913)</b>	<b>(916)</b>

The actual return on the scheme assets in the year was £215,000 (2019: £50,000).

## Amounts recognised in the Statement of Financial Activities

	2020 £'000	2019 £'000
Current service cost	172	130
Interest income	(18)	(23)
Interest cost	36	35
Past service costs	1	14
<b>Total operating charge</b>	<b>191</b>	<b>156</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

## 25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2020 £'000	2019 £'000
<b>Movement in deficit during the period</b>		
Deficit in the scheme at 1 September 2019	916	418
Movement in year:		
- Employer service cost (net of employee contributions)	172	130
- Past service cost	1	14
- Employer contributions	(70)	(69)
- Expected return on scheme assets	(18)	(23)
- Interest cost	36	35
- Actuarial (gains)/losses	(124)	411
<b>Deficit in the scheme at 31 August 2020</b>	<b>913</b>	<b>916</b>

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

	2020 £'000	2019 £'000
Scheme liabilities at 1 September 2019	1,819	1,185
Current service cost	172	130
Past Service cost	1	14
Interest cost	36	35
Contributions by scheme participants	20	21
Benefits paid	(9)	(4)
Actuarial losses/(gains)	73	438
<b>Scheme liabilities at 31 August 2020</b>	<b>2,112</b>	<b>1,819</b>

**Changes in the fair value of academy's share of scheme assets:**

	2020 £'000	2019 £'000
Fair value of scheme assets at 1 September 2019	903	767
Expected return on scheme assets	18	23
Actuarial gains	197	27
Contributions by employer	70	69
Benefits paid	(9)	(4)
Contributions by scheme participants	20	21
<b>Fair value of scheme assets at 31 August 2020</b>	<b>1,199</b>	<b>903</b>

The estimated value of employer contributions for the year ended 31 August 2021 is £70,000 (2020: £70,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)****27 RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Tanworth Educational Foundation (TEF) have given permission for Tanworth in Arden Academy Trust to use their land and buildings on conversion to an Academy. This permission is via a Tenancy at Will agreement and is given subject to the understanding that TEF retains ownership of the land and buildings and retains all rights and obligations that currently exist.

During the year TEF provided grants in the sum of £35,098 (2019: £25,889) in relation to funding for academy resources. There were no amounts outstanding at 31 August 2020 (2019: £Nil).

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2019.

**28 EVENTS AFTER THE END OF THE REPORTING PERIOD**

There are no material adjusting or non adjusting events arising after the balance sheet date.