

Registered number: 08054506 (England and Wales)

STAFFORD LEYS ACADEMY TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2020

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 JANUARY 2020

Members

Allison Hammond
Michelle Larke
Paul Howkins
Beenal Rajyaguru

Trustees

Andrew Kitchen, Headteacher and Accounting Officer
Allison Hammond, Chair of Trustees
Robert Doxey, Staff Trustee
Rebecca O'Rourke-Holder, Staff Trustee
Sarah Hoult, Staff Trustee
Simon Willcock
Ryan Jarvis
Beenal Rajyaguru
Michelle Larke
James Cross
Paul Howkins, Chair of Finance and Staffing Committee
Kate Kite
Mark Donne (Resigned 31 October 2019)

Senior Management Team

Andrew Kitchen, Headteacher
Karren Hardy, Deputy Headteacher
Yvonne Stuart, Deputy Headteacher
Caralyn Bignall, Deputy Headteacher
Julie Murdock, Business Manager

Company Name

Stafford Leys Academy Trust

Principal and Registered Office

Stafford Leys Academy Trust
Leicester Forest East
Leicester
LE3 3LJ

Company Registered Number

08054506 (England & Wales)

Company Secretary

Ruth Harsant

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE PERIOD ENDED 31 JANUARY 2020

Independent Auditor

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

National Westminster Bank Plc
7 Hinckley Road
Leicester
LE3 0TQ

Aldermore Bank Plc
1st Floor
Block B
Western House
Lynch Wood
Peterborough
PE2 6FZ

Cambridge & Counties Bank Ltd
Charnwood Court
5B New Walk
Leicester
LE1 6TE

Redwood Bank
Suite 101
The Nexus Building
Broadway
Letchworth Garden City
Hertfordshire
SG6 3TA

Solicitors

Browne Jacobson LLP
Mowbray House Castle
Meadow Road
Nottingham
NG2 1BJ

STAFFORD LEYS ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 JANUARY 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the period 1 September 2019 to 31 January 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Leicester Forest East. It has a pupil capacity of 630 and had a roll of 615 in the school census on June 2019.

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 Stafford Leys Academy Trust Limited are also the Directors and Trustees of the charitable company for the purposes of company law. The charitable company is known as Stafford Leys Academy Trust, is also known as Stafford Leys Community Primary School.

Details of the Trustees who served during the period are included in the Reference and Administrative Details on pages 1 and 2.

Members Liability

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

Trustees' Indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third-party indemnity provisions. Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the period was £518 (2019 - £463).

Method of Recruitment and Appointment or Election of Trustees

Recruitment of Trustees is outlined in the Articles of Association. Members may appoint up to 15 Trustees. The appointment of Staff Trustees is via a process of a staff ballot. Appointment of Parent Trustees is made via parent ballot. Candidates for both of these elections write a short statement of up to 500 words. Secret ballots are then held to decide who is appointed.

We use a combination of recommended local skilled Trustees and advertising locally to appoint our Community Trustees.

In all cases, the current Trustees complete a skills audit annually and highlight early in the recruitment process which skills would be beneficial to the Board of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustee induction training alongside a menu of extensive specialised training is available through the Leicestershire Governor Development Service and our local network of schools to support all new Trustees. The Academy Trust buys into the Leicestershire Governor Development Service which offers further Trustee training. A skills matrix is being developed to identify areas of strength and weakness.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 JANUARY 2020

Organisational Structure

The Academy Trust management structure consists of two levels: The Trustees and the Headteacher and Key Management Personnel. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer. The Trustees are responsible for setting general policy, adopting an annual improvement plan, approving the annual budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments. Specific responsibilities of the committees are outlined in the relevant Terms of Reference.

Arrangements for setting pay and remuneration of Key Management Personnel

An independent educational advisor is appointed each year to support the Trustees in performance managing the Headteacher and deciding on whether he is eligible for a pay rise (October each year). Three targets are set by the Trustees and monitored during the year. These are always related to pupil outcomes.

The Pay Committee agrees an annual pay policy, which outlines the pay scales for all other key personnel. An annual performance management cycle is completed, and all pay decisions are based on the performance of the individual from the previous year. Performance is judged by achievement of children and the completion of key parts of the School Improvement Plan.

Trade union facility time

No employees were relevant union officials during the period 1 September 2019 to 31 January 2020. No time has been spent on facility time and therefore there were no cost implications to the Academy Trust.

Related Parties and other Connected Charities and Organisations

The Academy Trust is an independent company in all respects. We work as part of the Enrich group of schools, a collaborative network of local primary schools to support the continuing improvement of our schools. The Headteacher meets the Headteachers of these schools half termly. Recent work has been on improving transition between primary and secondary schools and on organising joint trading activities.

We also meet the local primaries to ensure that middle leaders get development opportunities and to moderate judgements between schools.

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, Strategies and Activities

Our priorities during the period of this report have been:

- To increase the school's admission number to 90 in all year groups through a programme of improvement work;
- Continue to improve the outcomes of all pupils;
- We currently only have 18 spaces available across the school with waiting lists in several year groups; and
- Outcomes in all year groups are above or well above the national average. This is the 4th year in a row where there has been a considerable improvement in outcomes for pupils.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 JANUARY 2020

Public Benefit

To promote for the benefit of individuals living in Leicestershire and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

STRATEGIC REPORT

EYFS

GLD 75.6% National 71.8% Av points 36.4 National 34.6

This area was moderated last year and assessments were judged as accurate. Gap between boys and girls is in line with national and closed from the previous year.

KS1

Phonics check 94% pass rate (national 82%) this is the 4th year in a row of improvement.

KS1		2019		2018	
Above in Reading, Writing and Mathematics	70%(65)	GD	9%(11)	67%	GD 10%
Reading	80%(75)	GD	29%(25)	80%	GD 24%
Mathematics	80%(76)	GD	24%(22)	77%	GD 21%
Writing	76%(69)	GD	17%(15)	71%	GD 12%

This represents an increase at Expected and Greater Depth.

KS2		2019		2018	
Above in Reading, Writing and Mathematics	77%(65)	GD	19%(11)	66%	GD 3%
Reading	82%(73)	GD	31%(27)	80%	GD 25%
Mathematics	94%(76)	GD	51%(24)	88%	GD 22%
Grammar	89%(78)	GD	56%(36)	90%	GD 44%
Writing	82%(78)	GD	26%(20)	80%	GD 6%

4th year in a row of considerable improvement in attainment at Expected and Greater Depth. Progress scores are also much improved.

Key Performance Indicators

The school had a very positive monitoring visit from OFSTED. Combined with our Outstanding data, we are very confident that we will be judged as a good school during our next OFSTED visit.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 JANUARY 2020

Going Concern

The Trustee's have concluded that, as the charitable company ceased activity as at 1 February 2020 and assets were transferred to the Bradgate Education Partnership, they intend to liquidate the Company in due course, thus they will not adopt the going concern basis of accounting in preparation of the financial statements. Further details regarding the going concern basis can be found in the Notes to the Financial Statements in Accounting Policies section 1.2.

FINANCIAL REVIEW

The vast majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 January 2020 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), capital grants, received and expended, are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Reserves Policy

The Academy Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Academy Trust has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Academy Trust's objects but which is not yet spent, committed or designated. The Trustees review the reserve levels of the Academy Trust in Finance and Staffing Committee meetings which take place regularly throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy Trust's target level of reserves is 5% of annual GAG (£100,000), the current level of free reserves (total funds less the amount held in fixed assets, restricted funds and the pension reserve) is £128,000 which is more than is needed. The Academy Trust and the Trustees are aware of the significant pension fund deficit for the Local Government Pension Scheme (LGPS). This however does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case.

At 31 January 2020 the total funds comprised:

Unrestricted		£128,000
Restricted:	Fixed asset funds	£4,169,000
	Pension reserve	(£1,646,000)
	Other	£0
		<u>£2,651,000</u>

Investment Policy

Following a decision made by the Finance and Staffing Committee, the Academy Trust has invested a small amount of surplus funds in three comparatively high interest 30-day notice accounts.

Principal Risks and Uncertainties

The principal risks facing the Academy Trust are included in the Risk Register and Management Plan and include:

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FOR THE PERIOD ENDED 31 JANUARY 2020

- Strategic and Reputational Risks;
- Operational Risks;
- Compliance Risks; and
- Financial Risks.

Control measures are in place to manage the identified risks, the key risks being that of reduced pupil numbers, that affect the level of funding, and future Government cuts. Active promotion of the Academy Trust is maintained and budgets monitored carefully over a 3 year period to manage any reduction in funding.

FUNDRAISING

The PFA raise funds for the school through regular events for the children and families of Stafford Leys Academy Trust. They donate all monies raised to support enrichment opportunities for the children at Stafford Leys Academy Trust. This has included money for sports kits, library books and art frames.

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to seek to improve the levels of performance of our children at all levels. Following a very successful monitoring report in July 2019, the school continues to push for a new OFSTED visit to secure a Good rating for the school.

The Academy Trust joined Bradgate Education Partnership (BEP) on 1 February 2020. This will allow for long term stability and enable us to deliver better value for money over time due to the buying power of the Multi-Academy Trust. The Academy Trust also feels that being part of a Multi-Academy Trust will allow for better job security and prospects for all our employees. The Academy Trust has selected BEP as this Trust allows the Academy to maintain its character and provide support based on the performance of the Academy Trust which the MAT currently deems as good. Another reason for joining BEP is to obtain support when preparing for an OFSTED visit and to enable us to share findings with other Academies within the Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held by the Academy Trust as custodian Trustee or on behalf of others.

AUDITOR

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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 28 May 2020 and signed on the Board's behalf by:

.....
Allison Hammond
Chair of Trustees

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GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 JANUARY 2020

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Stafford Leys 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.

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 Stafford Leys Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Allison Hammond (Chair of Trustees)	3	3
Andrew Kitchen (Headteacher and Accounting officer)	3	3
Simon Willcock	2	3
James Cross	3	3
Michelle Larke	3	3
Mark Donne (Resigned 31 October 2019)	1	2
Kate Kite	3	3
Beenal Rajyaguru	3	3
Robert Doxey	2	3
Ryan Jarvis	2	3
Rebecca O'Rourke-Holder	3	3
Sarah Hoult	3	3
Paul Howkins	3	3

Governance reviews:

- The Chair of Trustees attends regular updates and training sessions;
- Annual training is undertaken which includes strategic aims and safeguarding; and
- A skills audit exercise was also undertaken to recognise and inform the future needs in Trustee recruitment.

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GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 JANUARY 2020

The Finance and Staffing Committee is a sub-committee of the main Board of Trustees. Its purpose is to, on the behalf of the Board of Trustees, work with the Academy's Senior Leadership Team to set the Academy's financial priorities, decide on how the Academy's delegated budget should be spent, monitor the annual budget, ensuring the budget is being managed effectively and the Academy is meeting its statutory obligations.

Trustee	Meetings attended	Out of a possible
Andrew Kitchen (Headteacher and Accounting Officer)	2	2
Allison Hammond (Chair of Trustees)	2	2
Simon Willcock	1	2
Robert Doxey	1	2
Paul Howkins (Chair of Finance and Staffing Committee)	2	2

REVIEW OF VALUE FOR MONEY

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

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

- Ensuring that several quotes are obtained for work costing over £5,000. Tendering processes were used for 2 large projects last year;
- Working with other schools to purchase in bulk – education materials and services; and
- Ensuring that funds not immediately needed are placed in a high interest account.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stafford Leys Academy Trust for the period 1 September 2019 to 31 January 2020 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 January 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 JANUARY 2020

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Staffing 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Service as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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 Stafford Leys Academy Trust for the period 1 September 2019 to 31 January 2020 and up to the date of approval of the Annual Report and Financial Statements.

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

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

On an annual basis the auditor reports to the Board of Trustees, through the Finance and Staffing Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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GOVERNANCE STATEMENT (continued)
FOR THE PERIOD ENDED 31 JANUARY 2020

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Staffing Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 28 May 2020 and signed on its behalf by:

.....
Allison Hammond
Chair of Trustees

.....
Andrew Kitchen
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 JANUARY 2020

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

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

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

.....
Andrew Kitchen
Accounting Officer

Date 28 May 2020

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 JANUARY 2020

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 period. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
Allison Hammond
Chair of Trustees

Date: 28 May 2020

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STAFFORD LEYS ACADEMY TRUST**

Opinion

We have audited the financial statements of Stafford Leys Academy Trust (the 'academy') for the period 1 September 2019 to 31 January 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 January 2020 and of its incoming resources and application of resources, including its income and expenditure for the period 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to the Trustees' Report which explains that the Trustees intend to liquidate the Company in due course, following the transfer of the Academy's assets and liabilities to Bradgate Education Partnership on 1 February 2020. The Trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.2. Our opinion is not modified in respect of this matter.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STAFFORD LEYS ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STAFFORD LEYS ACADEMY TRUST (CONTINUED)**

Responsibilities of Trustees

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

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

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.

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 1 June 2020

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STAFFORD
LEYS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stafford Leys Academy Trust during the period 1 September 2019 to 31 January 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 Stafford Leys Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stafford Leys Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stafford Leys Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stafford Leys Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Stafford Leys Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 2012 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 2018 to 2019. 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 January 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
 - testing of a sample of grants received and other income streams;
 - testing of a sample of payroll payments to staff;
 - testing of a sample of payments to suppliers and other third parties;
 - considerations of governance issues; and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 January 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

MHA MacIntyre Hudson

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 1 June 2020

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 5 months ended 31 January 2020 £000	Restricted funds 5 months ended 31 January 2020 £000	Restricted fixed asset funds 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000	Total funds 12 months ended 31 August 2019 £000
Income from:						
Donations and capital grants	3	1	4	-	5	(52)
Funding for the Academy Trust's Educational Operations	4	3	1,084	5	1,092	2,489
Other trading activities	5	41	-	-	41	69
Investments	6	2	-	-	2	4
Total income		47	1,088	5	1,140	2,510
Expenditure on:						
Raising funds	8	34	-	-	34	64
Academy Trust's Educational Operations	9	-	1,211	53	1,264	3,047
Total expenditure		34	1,211	53	1,298	3,111
Net income/(expenditure)		13	(123)	(48)	(158)	(601)
Transfers between funds	19	(6)	5	1	-	-
Net movement in funds before other recognised gains/(losses) carried forward		7	(118)	(47)	(158)	(601)

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 5 months ended 31 January 2020 £000	Restricted funds 5 months ended 31 January 2020 £000	Restricted fixed asset funds 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000	Total funds 12 months ended 31 August 2019 £000
Net movement in funds before other recognised gains/(losses) brought forward	7	(118)	(47)	(158)	(601)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	-	10	-	10	(396)
Net movement in funds	7	(108)	(47)	(148)	(997)
Reconciliation of funds:					
Total funds brought forward	121	(1,538)	4,216	2,799	3,796
Net movement in funds	7	(108)	(47)	(148)	(997)
Total funds carried forward	128	(1,646)	4,169	2,651	2,799

The notes on pages 24 to 57 form part of these financial statements.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08054506

BALANCE SHEET
AS AT 31 JANUARY 2020

	Note	31 January 2020 £000	31 August 2019 £000
Fixed assets			
Tangible assets	15	4,163	4,216
Current assets			
Debtors	16	50	70
Cash at bank and in hand	23	320	338
		<u>370</u>	<u>408</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(223)	(222)
		<u>147</u>	<u>186</u>
Net current assets			
		<u>4,310</u>	<u>4,402</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	18	(13)	(14)
		<u>4,297</u>	<u>4,388</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	24	(1,646)	(1,589)
		<u>2,651</u>	<u>2,799</u>
Total net assets			
Funds of the Academy			
Restricted funds:			
Restricted fixed asset funds	19	4,169	4,216
Restricted income funds	19	-	51
		<u>4,169</u>	<u>4,267</u>
Restricted funds excluding pension liability	19	4,169	4,267
Pension reserve	19	(1,646)	(1,589)
		<u>2,523</u>	<u>2,678</u>
Total restricted funds	19	2,523	2,678
Unrestricted income funds	19	128	121
		<u>2,651</u>	<u>2,799</u>
Total funds		<u>2,651</u>	<u>2,799</u>

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2020

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

The financial statements on pages 19 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Allison Hammond
Chair of Trustees

Date: 28 May 2020

The notes on pages 24 to 57 form part of these financial statements.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2020

	Note	5 months ended 31 January 2020 £000	12 months ended 31 August 2019 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(15)	(58)
Cash flows from investing activities	22	(3)	(34)
Change in cash and cash equivalents in the period		(18)	(92)
Cash and cash equivalents at the beginning of the period		338	430
Cash and cash equivalents at the end of the period	23	320	338

The notes on pages 24 to 57 form part of these financial statements

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stafford Leys Academy Trust meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on pages 1 and 2. The nature of the Academy Trust's operation and principal activity are detailed in the Trustee's Report.

The financial statements are prepared in British Pound Sterling (£), the functional currency, rounded to the nearest £1,000.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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. The Trustees have concluded that, as the charitable company ceased activity as at 1 February 2020 and assets and liabilities were transferred to the Bradgate Education Partnership, they intend to liquidate the company in due course, thus they will not adopt the going concern basis of accounting in preparation of the financial statements. No restatement of assets and liabilities had been required at the date of transfer.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

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

1.4 Expenditure

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

• **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.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **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.

1.5 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful life, as follows:

Long leasehold buildings	- 2% straight line per annum
Long leasehold land	- 125 years over period of lease
Long leasehold property improvements	- 2% straight line per annum
Furniture and equipment	- 10% straight line per annum
Computer equipment	- 33.33% straight line per annum

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.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

1. Accounting policies (continued)

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

1.9 Provisions

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

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

1.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

1. Accounting policies (continued)

1.12 Pensions

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 15 for the carrying amount of fixed assets, and note 1.6 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 January 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgments that have had a significant effect on the amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

3. Donations and capital grants

	Unrestricted funds 5 months ended 31 January 2020 £000	Restricted funds 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
Donations	1	4	5
Capital grants	-	-	-
Total 2020	<u>1</u>	<u>4</u>	<u>5</u>

	Unrestricted funds 12 months ended 31 August 2019 £000	Restricted funds 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
Donations	1	1	2
Capital grants	-	(54)	(54)
Total 2019	<u>1</u>	<u>(53)</u>	<u>(52)</u>

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

4. Funding for the Academy's educational operations

	Unrestricted funds 5 months ended 31 January 2020 £000	Restricted funds 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	891	891
Pupil Premium	-	28	28
Devolved formula capital	-	5	5
Other ESFA/DfE grants	-	99	99
	<u>-</u>	<u>1,023</u>	<u>1,023</u>
Other government grants			
Local Authority grants	-	14	14
	<u>-</u>	<u>14</u>	<u>14</u>
Other funding			
Teacher insurance claims	3	-	3
Parental contributions	-	52	52
	<u>3</u>	<u>52</u>	<u>55</u>
Total 2020	<u><u>3</u></u>	<u><u>1,089</u></u>	<u><u>1,092</u></u>

There are no unfulfilled conditions or other contingencies attached to the government grants above.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

	Unrestricted funds 12 months ended 31 August 2019 £000	Restricted funds 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,040	2,040
Pupil premium	-	67	67
Devolved formula capital	-	34	34
Other ESFA/DfE grants	-	155	155
	-	2,296	2,296
Other government grants			
Local Authority grants	-	24	24
	-	24	24
Other funding			
Teacher insurance claims	42	-	42
Parental contributions	-	107	107
Other grants	-	20	20
	42	127	169
Total 2019	42	2,447	2,489

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

5. Other trading activities

	Unrestricted funds 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
Catering income	21	21
Rental income	15	15
Fundraising	5	5
Total 2020	<u>41</u>	<u>41</u>

	Unrestricted funds 12 months ended 31 August 2019 £000	Restricted funds 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
Catering income	38	-	38
Rental income	22	-	22
Fundraising	5	4	9
Total 2019	<u>65</u>	<u>4</u>	<u>69</u>

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

6. Investments

	Unrestricted funds 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
Interest receivable	2	2
Total 2020	<u>2</u>	<u>2</u>
	Unrestricted funds 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
Interest receivable	4	4
Total 2019	<u>4</u>	<u>4</u>

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

7. Expenditure

	Staff Costs 5 months ended 31 January 2020 £000	Premises 5 months ended 31 January 2020 £000	Other 5 months ended 31 January 2020 £000	Total 5 months ended 31 January 2020 £000
Expenditure on raising funds:				
Direct costs	4	-	30	34
Activities:				
Direct costs	835	42	94	971
Allocated support costs	105	49	139	293
Total 2020	<u>944</u>	<u>91</u>	<u>263</u>	<u>1,298</u>

	Staff Costs 12 months ended 31 August 2019 £000	Premises 12 months ended 31 August 2019 £000	Other 12 months ended 31 August 2019 £000	Total 12 months ended 31 August 2019 £000
Expenditure on raising funds:				
Direct costs	6	-	58	64
Activities:				
Direct costs	1,931	100	421	2,452
Allocated support costs	241	86	268	595
Total 2019	<u>2,178</u>	<u>186</u>	<u>747</u>	<u>3,111</u>

In 2019, of the total expenditure on charitable educational activities of £3,111,000, £64,000 was from unrestricted funds, £2,908,000 was from restricted funds and £139,000 from restricted fixed asset funds.

STAFFORD LEYS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

8. Raising funds

Costs of raising voluntary income

	Unrestricted funds 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
Letting costs	2	2
Catering costs	21	21
After-school club expenditure	7	7
Premises Officer	4	4
	<hr/>	<hr/>
Total 2020	34	34
	<hr/> <hr/>	<hr/> <hr/>
	Unrestricted funds 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
Letting costs	5	5
Catering costs	38	38
After-school club expenditure	15	15
Premises Officer	6	6
	<hr/>	<hr/>
Total 2019	64	64
	<hr/> <hr/>	<hr/> <hr/>

STAFFORD LEYS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities

	Activities undertaken directly 5 months ended 31 January 2020 £000	Support costs 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
Charitable activities	971	293	1,264

	Activities undertaken directly 12 months ended 31 August 2019 £000	Support costs 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
Charitable activities	2,452	595	3,047

Analysis of direct costs

	Activities 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
Staff costs	835	835
Depreciation	53	53
Educational supplies	14	14
Staff development	7	7
Other direct costs	49	49
Insurance	13	13
Total 2020	971	971

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Activities 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
Staff costs	1,931	1,931
Depreciation	139	139
Educational supplies	35	35
Staff development	25	25
Other direct costs	301	301
Insurance	21	21
Total 2019	<u>2,452</u>	<u>2,452</u>

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

Analysis of support costs

	Activities 5 months ended 31 January 2020 £000	Total funds 5 months ended 31 January 2020 £000
Pension finance costs (note 14)	12	12
Staff costs	93	93
Recruitment and support	1	1
Maintenance of premises and equipment	31	31
Cleaning	1	1
Rent and rates	7	7
Energy costs	10	10
Catering	33	33
Legal and professional	11	11
Other support costs	84	84
Governance costs	10	10
Total 2020	<u>293</u>	<u>293</u>

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

Analysis of support costs (continued)

	Activities 12 months ended 31 August 2019 £000	Total funds 12 months ended 31 August 2019 £000
Pension income	31	31
Staff costs	210	210
Travel and subsistence	1	1
Recruitment and support	1	1
Maintenance of premises and equipment	46	46
Cleaning	3	3
Rent and rates	19	19
Energy costs	18	18
Insurance	16	16
Catering	67	67
Legal and professional	22	22
Other support costs	149	149
Bank charges and interest	1	1
Governance costs	11	11
	<hr/>	<hr/>
Total 2019	595	595
	<hr/> <hr/>	<hr/> <hr/>

10. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	31 January 2020 £000	31 August 2019 £000
Operating lease rentals	15	15
Depreciation of tangible fixed assets	53	139
Fees paid to auditor for:		
- audit	10	10
- other services	1	1
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

11. Staff costs

a. Staff costs

Staff costs during the period were as follows:

	5 months ended 31 January 2020 £000	12 months ended 31 August 2019 £000
Wages and salaries	676	1,562
Social security costs	47	121
Pension costs	207	412
	930	2,095
Agency staff costs	2	52
Pension finance costs (note 14)	12	31
	944	2,178

b. Staff numbers

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

	5 months ended 31 January 2020 No.	12 months ended 31 August 2019 No.
Teachers	25	29
Admin and support	61	64
Management	4	3
	90	96

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 in the 5 month period was:

	5 months ended 31 January 2020 No.	12 months ended 31 August 2019 No.
In the band £70,001 - £80,000	-	1

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 January 2020, pension contributions for these staff members amounted to £NIL (2019 - £12,481).

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by Key Management Personnel for their services to the Academy Trust was £167,010 (2019 - £397,542).

12. Trustees' remuneration and expenses

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

	5 months ended 31 January 2020 £000	12 months ended 31 August 2019 £000
Andrew Kitchen (Headteacher and Accounting Officer)	30 - 35	75 - 80
	5 - 10	10 - 15
Sarah Houlton	10 - 15	30 - 35
	0 - 5	5 - 10
Rebecca O'Rourke-Holder	5 - 10	5 - 10
	0 - 5	0 - 5
Emma Harris (Resigned 28 February 2019)	-	20 - 25
	-	0 - 5
Richard Doxey	15 - 20	35 - 40
	0 - 5	5 - 10

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses (continued)

During the period ended 31 January 2020, no expenses were reimbursed to Trustees (2019 - £80 to 1 Trustee).

Other related party transactions involving the Trustees are set out in note 27.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 January 2020 was £518 (2019 - £463). The cost of this insurance is included in the total insurance cost.

14. Pension finance cost

	31 January 2020	31 August 2019
Interest on pension scheme liabilities	24	71
Interest income on pension scheme assets	(12)	(40)
	12	31

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NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Long-term leasehold property £000	Long-term leasehold property improvements £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	2,954	1,637	173	179	4,943
At 31 January 2020	<u>2,954</u>	<u>1,637</u>	<u>173</u>	<u>179</u>	<u>4,943</u>
Depreciation					
At 1 September 2019	363	146	76	142	727
Charge for the period	21	14	7	11	53
At 31 January 2020	<u>384</u>	<u>160</u>	<u>83</u>	<u>153</u>	<u>780</u>
Net book value					
At 31 January 2020	<u><u>2,570</u></u>	<u><u>1,477</u></u>	<u><u>90</u></u>	<u><u>26</u></u>	<u><u>4,163</u></u>
At 31 August 2019	<u><u>2,591</u></u>	<u><u>1,491</u></u>	<u><u>97</u></u>	<u><u>37</u></u>	<u><u>4,216</u></u>

Included in long leasehold property is land which was valued at £740,000 (2019 - £740,000) on conversion in 2013 by Leicestershire County Council, a RICS registered valuer, using the depreciated replacement cost method.

The Trustees consider that the valuation remains appropriate for the purposes of these financial statements. The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2013.

The leasehold land and property was donated on 1 February 2020 to Bradgate Education Partnership.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	31 January 2020 £000	31 August 2019 £000
Trade debtors	1	5
VAT repayable	8	12
Prepayments and accrued income	41	53
	<hr/> 50 <hr/>	<hr/> 70 <hr/>

17. Creditors: Amounts falling due within one year

	31 January 2020 £000	31 August 2019 £000
Other loans	2	2
Trade creditors	7	45
Taxation and social security	34	28
Other creditors	69	60
Accruals and deferred income	111	87
	<hr/> 223 <hr/>	<hr/> 222 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

17. Creditors: Amounts falling due within one year (continued)

	31 January 2020 £000	31 August 2019 £000
Deferred income at 1 September 2019	74	102
Resources deferred during the period	44	74
Amounts released from previous periods	(74)	(102)
Deferred income at 31 January 2020	44	74

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, PE Grant, Teachers Pay Grant, Teachers Pension Grant and trips income which relate to funding for the next academic year.

Included in other loans is a loan totalling £1,958 (2019 - £1,958) from Salix Finance. The loan is interest free and is repayable over 8 years in installments. The loan was pre-approved by the Education and Skills Funding Agency through the Conditional Improvement Fund for boiler and heating system repairs and replacement.

18. Creditors: Amounts falling due after more than one year

	31 January 2020 £000	31 August 2019 £000
Other loans	13	14

Included in other loans is a loan totalling £12,685 (2019 - £13,704) from Salix Finance. The loan is interest free and is repayable over 8 years in installments. The loan was pre-approved by the Education and Skills Funding Agency through the Conditional Improvement Fund for boiler and heating system repairs and replacement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 January 2020 £000
Unrestricted funds						
Unrestricted funds	121	47	(34)	(6)	-	128
Restricted general funds						
General Annual Grant (GAG)	51	890	(946)	5	-	-
Pupil premium	-	28	(28)	-	-	-
Other ESFA/DFE grants	-	99	(99)	-	-	-
Other income	-	56	(56)	-	-	-
Other local authority grants	-	15	(15)	-	-	-
Pension reserve	(1,589)	-	(67)	-	10	(1,646)
	<u>(1,538)</u>	<u>1,088</u>	<u>(1,211)</u>	<u>5</u>	<u>10</u>	<u>(1,646)</u>
Restricted fixed asset funds						
Net book value of fixed assets	4,216	-	(53)	-	-	4,163
Devolved formula capital	16	5	-	-	-	21
Salix loan	(16)	-	-	1	-	(15)
	<u>4,216</u>	<u>5</u>	<u>(53)</u>	<u>1</u>	<u>-</u>	<u>4,169</u>
Total Restricted funds	<u>2,678</u>	<u>1,093</u>	<u>(1,264)</u>	<u>6</u>	<u>10</u>	<u>2,523</u>
Total funds	<u><u>2,799</u></u>	<u><u>1,140</u></u>	<u><u>(1,298)</u></u>	<u><u>-</u></u>	<u><u>10</u></u>	<u><u>2,651</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement. 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 January 2020. The transfer of £5,000 from the unrestricted fund to GAG was made to meet restricted fund expenditure.

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding under S106 funding from the Education and Skills Funding Agency. The DFC fund is to be used for ICT, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for. The transfer of £1,000 from the restricted general funds to the restricted fixed assets fund represents amounts repaid on the Salix loan in the period.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Other Local Authority grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of restricted income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit. Given the nature of the liability, however, this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset fund

The net book value of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. As fixed assets are purchased, a transfer is made to the restricted fixed asset fund.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds	73	112	(64)	-	-	121
Restricted general funds						
General Annual Grant (GAG)	109	2,040	(2,098)	-	-	51
Pupil premium	-	67	(67)	-	-	-
Other ESFA/DFE grants	-	155	(155)	-	-	-
Other income	-	132	(132)	-	-	-
Capital grants	331	(54)	(277)	-	-	-
Other local authority grants	-	24	(24)	-	-	-
Pension reserve	(1,038)	-	(155)	-	(396)	(1,589)
	<u>(598)</u>	<u>2,364</u>	<u>(2,908)</u>	<u>-</u>	<u>(396)</u>	<u>(1,538)</u>
Restricted fixed asset funds						
Net book value of fixed assets	4,337	-	(139)	18	-	4,216
Devolved formula capital	-	34	-	(18)	-	16
Salix loan	(16)	-	-	-	-	(16)
	<u>4,321</u>	<u>34</u>	<u>(139)</u>	<u>-</u>	<u>-</u>	<u>4,216</u>
Total Restricted funds	<u>3,723</u>	<u>2,398</u>	<u>(3,047)</u>	<u>-</u>	<u>(396)</u>	<u>2,678</u>
Total funds	<u>3,796</u>	<u>2,510</u>	<u>(3,111)</u>	<u>-</u>	<u>(396)</u>	<u>2,799</u>

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

Analysis of net assets between funds - current period

	Unrestricted funds 31 January 2020 £000	Restricted funds 31 January 2020 £000	Restricted fixed asset funds 31 January 2020 £000	Total funds 31 January 2020 £000
Tangible fixed assets	-	-	4,163	4,163
Current assets	128	221	21	370
Current liabilities	-	(221)	(2)	(223)
Non-current liabilities	-	-	(13)	(13)
Provisions for liabilities and charges	-	(1,646)	-	(1,646)
Total	128	(1,646)	4,169	2,651

Analysis of net assets between funds - prior period

	Unrestricted funds 31 August 2019 £000	Restricted funds 31 August 2019 £000	Restricted fixed asset funds 31 August 2019 £000	Total funds 31 August 2019 £000
Tangible fixed assets	-	-	4,216	4,216
Current assets	121	271	16	408
Current liabilities	-	(220)	(2)	(222)
Non-current liabilities	-	-	(14)	(14)
Provisions for liabilities and charges	-	(1,589)	-	(1,589)
Total	121	(1,538)	4,216	2,799

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net expenditure to net cash flow from operating activities

	5 months ended 31 January 2020 £000	12 months ended 31 August 2019 £000
Net expenditure for the period (as per Statement of Financial Activities)	(158)	(601)
Adjustments for:		
Depreciation	53	139
Capital grants from DfE and other capital income	5	20
Interest receivable	(2)	(4)
Defined benefit pension scheme cost less contributions payable	55	124
Defined benefit pension scheme finance cost (note 14)	12	31
Decrease in debtors	20	202
Increase in creditors	-	31
Net cash used in operating activities	(15)	(58)

22. Cash flows from investing activities

	31 January 2020 £000	31 August 2019 £000
Purchase of tangible fixed assets	-	(18)
Interest received	2	4
Capital grants from DfE Group	(5)	(20)
Net cash used in investing activities	(3)	(34)

23. Analysis of cash and cash equivalents

	31 January 2020 £000	31 August 2019 £000
Cash in hand	320	338
Total cash and cash equivalents	320	338

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

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

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

Contributions amounting to £41,000 were payable to the schemes at 31 January 2020 (2019 - £33,000) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers have paid an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 January 2020 was £68,000 (2019 - £168,000), of which employer's contributions totalled £55,000 (2019 - £136,000) and employees' contributions totalled £13,000 (2019 - £32,000). The agreed contribution rates for future years are 25.2% per cent for employers and 5.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.70	3.30
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.20	2.30
Commutation of pensions to lump sums	50.00	50.00

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

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

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(77)	(79)
Discount rate -0.1%	77	79
Mortality assumption - 1 year increase	130	128
Mortality assumption - 1 year decrease	(130)	(128)
CPI rate +0.1%	69	67
CPI rate -0.1%	(69)	(67)

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

	At 31	At 31 August
	January	2019
	£000	£000
Equities	934	934
Debt instrument	499	500
Property	129	129
Derivatives	48	48
Total market value of assets	1,610	1,611

The actual return on scheme assets was £(55,000) (2019 - £93,000).

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

	5 months	12 months
	ended	ended
	31 January	31 August
	2020	2019
	£000	£000
Current service cost	(110)	(216)
Past service cost	-	(44)
Interest income	12	40
Interest cost	(24)	(71)
Total amount recognised in the Statement of Financial Activities	(122)	(291)

The Academy Trust expects to contribute £144,000 to its defined benefit pension scheme in the 12 months to 31 August 2020.

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

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

	31 January 2020 £000	31 August 2019 £000
Opening defined benefit obligation	3,200	2,408
Interest cost	24	71
Employee contributions	13	32
Actuarial (gains)/losses	(77)	449
Benefits paid	(14)	(20)
Current service costs	110	216
Past service costs	-	44
Closing defined benefit obligation	3,256	3,200

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

	31 January 2020 £000	31 August 2019 £000
Opening fair value of scheme assets	1,611	1,370
Interest income	12	40
Expected return on assets	(67)	53
Employer contributions	55	136
Employee contributions	13	32
Benefits paid	(14)	(20)
Closing fair value of scheme assets	1,610	1,611

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NOTES TO THE FINANCIAL STATEMENTS
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25. Operating lease commitments

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

	31 January 2020 £000	31 August 2019 £000
Not later than 1 year	27	14
Later than 1 year and not later than 5 years	31	11
	58	25

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	31 January 2020 £000	31 August 2019 £000
Operating lease rentals	15	15

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

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, transactions may take place with organisations in which a Trustees has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

28. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

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(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2020

29. Controlling party

The Academy is ultimately controlled by the Board of Trustees, which includes the Headteacher.