

**ST AIDAN'S CHURCH OF ENGLAND ACADEMY
LIMITED**

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

St Aidan's Church of England Academy Limited

Contents

Reference and Administrative Details	1
Trustees Report	2 to 9
Governance Statement	10 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 to 18
Independent Reporting Accountant's Report on Regularity	19 to 20
Statement of Financial Activities incorporating Income and Expenditure Account	21 to 22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 to 45

St Aidan's Church of England Academy Limited

Reference and Administrative Details

Members	Mr David Crossland Mrs Anne Crossland The Venerable Stuart Bain, Chair of Diocesan Board of Education for Durham Mr Paul Rickeard, Diocesan Director of Education for Durham
Trustees (Directors)	Mrs Ruth Lowbridge Mr Marc Crossland Mrs Nicole Gibbon Mrs Anita Blackburn Miss Christine Large Mr Patrick Baker Mr Alan Marshall Mr Rev Anthony Roache (appointed 1 December 2019) Ms Alexandra Simpson (appointed 1 December 2019) Ms Clare Boswell (appointed 1 December 2019) Mr Sean Limbrick (appointed 13 January 2020) Mrs Rebecca Whillis (appointed 6 February 2020) Mr John De Martino, Chair of Finance and Staffing (resigned 30 December 2019)
Senior Management Team	Mrs Nicole Gibbon, Principal Mr Anthony Martin, Vice Principal Mr Philip Stephenson, Vice Principal
Principal and Registered Office	St Aidan's Hundens Lane Darlington DL1 1LL
Company Name	St Aidan's Church of England Academy Limited
Company Registration Number	06162865
Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Bank of Scotland PO Box 10 38 St Andrew Square Edinburgh Scotland EH2 2AD
Solicitors	Eversheds Sutherland Bridgewater Place Water Lane Leeds LS11 5DR

St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving the borough of Darlington. It has a pupil capacity of 700 and had a roll of 512 in the school census in October 2020.

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 St Aidan's Church of England Academy Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Aidan's Church of England Academy Limited.

Members of the charitable company are nominated by either the Secretary of State for Education or by David and Anne Crossland and the Diocese of Durham, the sponsors of the Academy.

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

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and in any one membership year.

Method of Recruitment and Appointment or Election of Trustees

The Memorandum of Association allows the following:

- 2 sponsor governors appointed by David and Anne Crossland;
- 2 sponsor governors appointed by the Diocese of Durham;
- 1 person appointed by the Secretary of State for Education;
- 1 parent governor (elected to the post by parents of students attending the Academy);
- 2 persons who are members of staff of the Academy (one teaching and one non-teaching) and who are elected by the appropriate staff group;
- The Principal;
- 2 persons appointed by the sponsors acting jointly; and

St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

- Up to 2 persons co-opted by the Governing Body.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

There is a clear protocol; for the recruitment, induction and training of new trustees. The training and induction provided for new trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. All trustees are provided with access to a shared Trustee online portal and receive a formal induction pack. New trustees are allocated a mentor who provides support and guidance to help them become effective within their role.

Organisational Structure

The management structure of the Academy consists of three levels:

The Governors, the Senior Leadership Team and the Academy Leadership Team.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Governors are responsible for setting the vision and general policy, adopting an annual plan and budget, monitoring the performance of the Academy and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team (SLT) consists of the Principal and the three Vice Principals, SLT together manage the Academy and make executive decisions consulting, when necessary or applicable, with the Governing Body.

The Principal and Senior Leadership Team are required to report to the Governing Body and it is the role of the SLT to implement and embed the policies agreed by the Governing Body.

The Senior Leadership Team are responsible for monitoring sections of the budget and authorising spending within agreed limits. The appointment of staff is the responsibility of the Governing Body. Appointments of middle managers and those below this level are delegated to the Principal and SLT.

In 2019/20 the Senior Leadership Team are responsible and accountable for the day to day operation of the Academy in particular organising teaching staff, facilities and students.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Principal's salary was set at an appropriate range given the Academy's circumstances following discussions and advice from the Academy's HR advisors. Progression is reviewed annually as part of Performance Management against agreed targets and approved by the Governing Body.

St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

The salaries of senior leaders are reviewed by the Finance and Staffing Committee in line with the Academy's Performance Management procedures. Senior leaders are placed on an appropriate scale on the leadership group pay range. The minimum and maximum points are agreed by the Finance and Staffing Committee commensurate with the level of responsibility of the post prior to it being advertised.

Related Parties and Other Connected Charities and Organisations

The Academy is sponsored by the Diocese of Durham and David and Anne Crossland. It was established as one of the first wave Academies, and the sponsors provided the endowment fund, which is available for purposes not otherwise funded by the statutory grants available to Academy schools. The sponsors are members of the Academy Company, and their responsibilities are set out in the Company's Memorandum and Articles and as from time to time determined by the Secretary of State.

Further details are stated in Note 23 to the Financial Statements.

Objectives and Activities

Objects and Aims

The principal objectives and activities of the charitable company is the operation of St Aidan's Church of England Academy to provide education for students of different abilities between the ages of 11 and 16.

In accordance with the Articles of Association the charitable company has adopted a 'Scheme of Governance' approved by the Secretary of State for Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy during the year ended 31 August 2020 are summarised below:

- To ensure that all students receive the same high quality education in terms of delivery, aspirations and outcomes;
- To raise achievement and attainment of all students;
- To improve the effectiveness of the Academy by consistently and continually reviewing the curriculum model and organisational structure;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with business, industry and commerce; and
- To conduct the Academy's own affairs in accordance with consistently high standards of integrity, probity and transparency.

St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Objectives, Strategies and Activities

The Academy's main objectives are encompassed in its mission statement:

“St Aidan's Church of England Academy is a Christian learning environment at the heart of its community. We promote care, respect and responsibility, and expect high standards in all aspects of academy life.”

In January 2020, Ofsted carried out an inspection of the Academy, when it was judged as a Good School. The main strength areas for improvement identified in the report form the key objectives and performance indicators in the Academy Development Plan, which clearly states the main objectives, strategies and tactics by which they are to be achieved.

What does the school need to do to improve?

- The school's curriculum is not yet sufficiently coherently planned and sequenced in some subjects. However, it is clear from the actions that leaders have already taken to plan the curriculum, to recruit staff and train staff in curriculum delivery that they are in the process of bringing this about.
- The legacy of a weaker curriculum, turbulence in staffing and difficulties in recruiting staff have led to gaps in pupils' knowledge and skills in some areas. Leaders need to continue the work already started with the One Vision partner and the diocese to fill these gaps and improve pupils' knowledge and skills further, especially in English, humanities, design technology and music.
- The standard of teaching is strong and improving overall. Continue to use professional development to sharpen teachers' use of questions to stretch pupils' understanding of topics at a deeper level. Similarly, leaders should continue to develop teachers' subject knowledge so that they can more confidently explore with pupils the nuances of subject ideas with greater precision, particularly for the most able pupils.
- The rates of pupil attendance are much improved as a result of leaders' actions. Pupils' attendance is now slightly above the national average. Together with the improvements in the curriculum and teaching, this has led to strongly improving outcomes for pupils. Leaders should maintain this incessant focus and aim to achieve a high rate of pupil attendance.
- Leaders have been very effective in bringing about improvements across the school. Not least, they have assiduously built the skills of middle leaders. Together with the One Vision partner and the diocese, leaders should continue the work already started to further build the skills of middle leaders so that the curriculum, teaching and outcomes continue to strengthen.

The Academy currently does not have any vacancies for temporary staff. Non-specialist teachers are fully supported with regular and relevant CPD which is monitored and evaluated by their line managers.

St Aidan's Church of England Academy underwent a SIAM's inspection where the Academy was judged as Good with Outstanding features in all areas.

Public Benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the trustees have considered this guidance in deciding what activities the academy should undertake.

St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

STRATEGIC REPORT

Achievements and Performance

GCSE EXAMINATION PERFORMANCE 2019/20

Performance Measure	Full Cohort	Boys	Girls	Dis-advantaged	SEN
Progress 8	+0.03	-0.20	+0.24	+0.01	+0.08
Attainment 8	44.43	41.63	46.98	38.94	44.43
% 9-5 in Eng & Mat (Basics)	32%	36%	29%	24%	19%
% 9-4 in Eng & Mat (Basics)	54%	45%	62%	47%	31%
% Students achieving the Ebacc (Standard Pass)	5%	10%	0%	6%	0%

Due to centre assessed grades (CAGs) being used in 2019/2020, no comparison with data from previous years is possible.

Key Performance Indicators

During the current year, the Academy's Key Performance Indicators have focused on pupils' learning and achievements as presented in the table above. In the forthcoming year, a range of benchmarked financial KPIs will be used to compare the Academy's performance over time and with similar single academy trusts in the secondary sector as detailed in the Academy Development Plan.

Going Concern

After making appropriate enquiries, the Board of Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Accounting Policies in note 1 to the financial statements.

Financial Review

The majority of the Academy Trusts' income for the year of account is obtained from either the ESFA (Education and Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2020 total expenditure of £3,670,000 was in excess of grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds, endowment funds and before pension transfer) was £129,000. The actual outturn position reported in the management accounts for the year, excluding transfers between funds and depreciation, was deficit of £248,000.

St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

At 31 August 2020 the net book value of fixed assets was £9,649,000. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £2,000,000 which has been carried forward to 2020/21. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

Reserves Policy

The Finance and General Purposes Committee review reserve levels on a termly basis in line with the budget monitoring information and forecasts are presented to Trustees. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of the equivalent of one month's expenditure, approximately £306,000. This is considered sufficient to cover delays between the spending and receipt of grants, and to deal with unexpected emergencies such as urgent maintenance.

During the year to 31 August 2020, the Academy held sufficient reserves within the GAG restricted fund and unrestricted fund to cover one month's expenditure. Combined the two funds totalled £140,000. This is below the level identified by the trustees as appropriate.

The amount of endowment reserve is, approximately, £627,000. This represents endowment funds provided by the Academy's sponsors. During the year there was no requirement to use these funds.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 decreased from £269,000 to £140,000.

The Trust has plans for the use of reserves which relate to the Trust's strategic plan and priorities.

Investment Policy

The Trust has a Treasury Management and Investment Policy which is reviewed annually by Trustees.

The Trust currently operates interest bearing bank accounts.

The academy invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal Risks and Uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/EFA. In addition, the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

All staff have received certificated training in Safeguarding Level 1.

The Academy is subject to a number of risks and uncertainties in common with other academies. The Academy has in place procedures to identify and mitigate financial risks.

Fundraising

The Trust and its Academies do not employ or use any third party or private company to raise funds, and do not place any undue pressure to donate on individuals, groups or other organisations to provide donations.

Plans for Future Periods

The Academy strives to embed an aspirational mind-set in staff and students alike of self-belief, self-worth and self-esteem, creating a culture built on discipline in a fair and supportive environment. All students are equally valued, and students are consistently and persistently encouraged and challenged to make outstanding progress resulting in at least meeting their targets set from Key Stage 2 data. The focus for the immediate future is to:

In pursuit of these objectives, the Academy will:

- Embed an outstanding curriculum in line with Progress 8 and Attainment 8 requirements which is flexible and accessible, ambitious, challenging and robust. The curriculum model must meet the diverse needs of all learners;
- Achieve the highest standards of personal development, behaviour and welfare. To instil responsibility from the whole Academy community, consistently managed at all times of the Academy day and in all areas of Academy life, and underpinned by the 'we are destined for greatness' ethos and values;
- Set targets for all students which are ambitious and challenging to at least meet expectations from KS2 data on entry. GCSE results will then compare favourably with national averages in Progress 8 and Attainment 8 and similar schools, closing the gap for all groups making a difference.

Funds Held as Custodian on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; 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.


St Aidan's Church of England Academy Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report , incorporating a Strategic Report, was approved by order of the members of the Governing Body on 15 January 2021 and signed on its behalf by:

A handwritten signature in cursive script, appearing to read 'R. Lowbridge', written over a horizontal dotted line.

Mrs Ruth Lowbridge
Trustee

St Aidan's Church of England Academy Limited

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St Aidan's Church of England Academy Limited 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 principal, 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 St Aidan's Church of England Academy Limited 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 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Mrs A Blackburn	6	6
Mr M Crossland	4	6
Mr M Davison	1	1
Mr J De Martino	6	6
Mrs N Gibbon	6	6
Mrs A Inglis (resigned October 2018)	0	1
Miss C Large	4	6
Mr S Simpson (resigned November 2018)	0	1
Mr D Spenceley (resigned June 2019)	3	6
Mrs R Lowbridge	5	6
Mr A Marshall (appointed October 2018)	5	5
Mr M Baker (appointed October 2018)	5	5

During the year a total of 7 staff left the Academy and 6 were recruited.

During the year, the medium term budget projections were reviewed. This identified the need to use endowment funds in the year to 31 August 2020 while the Academy continues to take steps to increase pupil numbers.

St Aidan's Church of England Academy Limited

Governance Statement (continued)

Governance Review

Following the Review of Governance by Jane Edminson on behalf of One Vision an action plan was devised by St Aidan's Governors in June 2019.

Key actions taken by the Governing Body:

- Appointed 2 new Governors to address the deficiencies noted in the Governor Skills' Audit.
- Established a protocol relating to Governor Classroom Observations and other visits to the Academy.
- Organised key stakeholder meetings by the Governing Body with parents, staff and students. The meetings addressed vision and strategy. These meetings have become an annual fixture in the Academy calendar.
- Held regular minuted challenge meetings by the Chair of Governors with the SLT.
- Included Governor training as an agenda item at Governing Body meetings.
- Engaged with the Durham County Governor Support Team clerk offering advice and guidance to Governors at Governor Body meetings.
- Developed a robust induction programme and guidelines for effective recruitment and trustee support
- Created a dedicated trustee portal which provides information for trustees and allows the principal and chair to monitor trustee activity

Governors will continue to review their own performance throughout 2020/21.

The Board met regularly during the year with subcommittees providing information to the full governing body.

A governors' skills audit has been completed and any areas which lack expertise will be addressed in the forthcoming year.

Both Ofsted and SIAMS commended the Governing Body for its commitment and involvement in school life. Particular note was made of the "challenge" provided by the Governing Body.

Finance remains a particular challenge in a small academy and governors have monitored the strategies used to increase pupil numbers.

Retention of staff, which has been a concern in the past, has been addressed and Governors are confident that the present cohort of staff will continue to take the Academy forward in meeting its objectives.

The Academy reviewed data quality with respect to pupil performance and financial information provided to the Board. An internal audit was undertaken in 2017 and a follow-up internal audit evidenced their implementation September 2018.

St Aidan's Church of England Academy Limited

Governance Statement (continued)

Review of Value for Money

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

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

- Careful review of replacement of staff who left during year.
- Tighter control over ICT and premises expenditure.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

St Aidan's Church of England Academy Limited

Governance Statement (continued)

- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint MHA Tait Walker as internal auditor.

Following the revised FRC Ethical Standards which prohibited a firm providing external audit to an entity to also provide internal audit services, a procurement process will be undertaken for the upcoming financial year.

A schedule of work is agreed for the year, and the reports are presented to the Trustees through the Finance and Staffing committee.

No material control issues have arisen as a result of the work of this period.

On a termly 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 and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

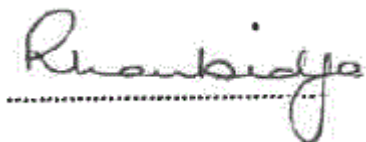
Review of Effectiveness

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

- The work of the responsible officer; and
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 Governing Body on 15 January 2021 and signed on its behalf by:



Mrs Ruth Lowbridge
Trustee



Mrs Nicole Gibbon
Accounting Officer
Trustee

St Aidan's Church of England Academy Limited

Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Aidan's Church of England Academy Limited I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

A handwritten signature in black ink, appearing to read 'NGibbon', written over a horizontal dashed line.

Mrs Nicole Gibbon
Accounting officer

15 January 2021

St Aidan's Church of England Academy Limited

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 on 15 January 2021 and signed on its behalf by:



Mrs Ruth Lowbridge
Trustee

St Aidan's Church of England Academy Limited

Independent Auditor's Report on the Financial Statements to the Members of St Aidan's Church of England Academy Limited

Opinion

We have audited the financial statements of St Aidan's Church of England Academy Limited (the 'academy trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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. 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.

St Aidan's Church of England Academy Limited

Independent Auditor's Report on the Financial Statements to the Members of St Aidan's Church of England Academy Limited (continued)

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report .

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

St Aidan's Church of England Academy Limited

Independent Auditor's Report on the Financial Statements to the Members of St Aidan's Church of England Academy Limited (continued)

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



Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

21 January 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

St Aidan's Church of England Academy Limited

Independent Reporting Accountant's Report on Regularity to St Aidan's Church of England Academy Limited and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Aidan's Church of England Academy Limited during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 13 June 2007 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

St Aidan's Church of England Academy Limited

Independent Reporting Accountant's Report on Regularity to St Aidan's Church of England Academy Limited and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

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

This report is made solely to St Aidan's Church of England Academy Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to St Aidan's Church of England Academy Limited and the 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 St Aidan's Church of England Academy Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.



MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

21 January 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

St Aidan's Church of England Academy Limited

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Endowment Funds £ 000	Total 2020 £ 000
Income and endowments from:						
Donations and capital grants	3	2	-	11	1	14
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	4	48	3,088	-	-	3,136
Other trading activities	5	20	-	-	-	20
Investments	6	1	-	-	-	1
Total		71	3,088	11	1	3,171
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	8	-	3,418	252	-	3,670
Total		-	3,418	252	-	3,670
Net income/(expenditure)		71	(330)	(241)	1	(499)
Transfers between funds		(100)	100	-	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	278	-	-	278
Net movement in (deficit)/funds		(29)	48	(241)	1	(221)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019		164	(2,043)	9,894	626	8,641
Total funds/(deficit) carried forward at 31 August 2020		135	(1,995)	9,653	627	8,420

St Aidan's Church of England Academy Limited

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

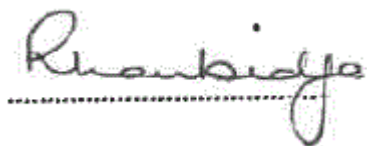
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Endowment Funds £ 000	Total 2019 £ 000
Income and endowments from:						
Donations and capital grants	3	2	-	36	79	117
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	4	76	2,975	-	-	3,051
Other trading activities	5	19	-	-	-	19
Investments	6	2	-	-	-	2
Total		99	2,975	36	79	3,189
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	8	92	3,156	254	-	3,502
Total		92	3,156	254	-	3,502
Net income/(expenditure)		7	(181)	(218)	79	(313)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(534)	-	-	(534)
Net movement in funds/(deficit)		7	(715)	(218)	79	(847)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		157	(1,328)	10,112	547	9,488
Total funds/(deficit) carried forward at 31 August 2019		164	(2,043)	9,894	626	8,641

St Aidan's Church of England Academy Limited

(Registration number: 06162865) Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	12	9,649	9,885
Current assets			
Stocks		2	-
Debtors	13	152	76
Current asset investments	14	465	-
Cash at bank and in hand		315	1,000
		<u>934</u>	<u>1,076</u>
Creditors: Amounts falling due within one year	15	<u>(163)</u>	<u>(172)</u>
Net current assets		<u>771</u>	<u>904</u>
Total assets less current liabilities		<u>10,420</u>	<u>10,789</u>
Net assets excluding pension liability		10,420	10,789
Pension scheme liability	24	<u>(2,000)</u>	<u>(2,148)</u>
Net assets including pension liability		<u>8,420</u>	<u>8,641</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	5	105
Restricted fixed asset fund	16	9,653	9,894
Restricted pension fund	16	(2,000)	(2,148)
Endowment fund	16	627	626
		<u>8,285</u>	<u>8,477</u>
Unrestricted funds			
Unrestricted income fund	16	<u>135</u>	<u>164</u>
Total funds		<u>8,420</u>	<u>8,641</u>

The financial statements on pages 21 to 45 were approved by the trustees, and authorised for issue on 15 January 2021 and signed on their behalf by:



Mrs Ruth Lowbridge
Trustee

St Aidan's Church of England Academy Limited

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	(216)	31
Cash flows from investing activities	20	<u>(469)</u>	<u>11</u>
Change in cash and cash equivalents in the year		(685)	42
Cash and cash equivalents at 1 September		<u>1,000</u>	<u>958</u>
Cash and cash equivalents at 31 August	21	<u><u>315</u></u>	<u><u>1,000</u></u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

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

These financial statements are prepared in sterling which is the functional currency of the entity.

St Aidan's Church of England Academy Limited meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Leasehold land and buildings	20 to 50 years straight line
Furniture and equipment	10 years straight line
Motor vehicles	5 years straight line
Computer equipment	3 years straight line

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.

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.

Leased assets

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

Financial Instruments

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

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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.

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 Education and Skills Funding/Department for Education/sponsor/other 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.

Endowment funds are invested and the income from these funds is applied to the relevant restricted or unrestricted income funds.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

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

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £252,000 (2019 - £254,000).

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

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

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2020.

3 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Other funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Educational trips and visits	-	-	-	-	2
Capital grants	-	11	-	11	36
Other donations	2	-	1	3	79
	<u>2</u>	<u>11</u>	<u>1</u>	<u>14</u>	<u>117</u>
	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Other funds £ 000	Total 2019 £ 000	
Total 2019	<u>2</u>	<u>36</u>	<u>79</u>	<u>117</u>	

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	2,542	-	2,542	2,667
Other ESFA Group grants	-	375	-	375	-
	-	2,917	-	2,917	2,667
Other government grants					
Local authority grants	-	171	-	171	87
Other Government grants	-	-	-	-	221
	-	171	-	171	308
Non-government grants and other income					
Other income from the academy trusts educational operations	48	-	-	48	76
Total grants	48	3,088	-	3,136	3,051
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	76	2,975	-	3,051	

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Hire of facilities	1	-	-	1	2
Other income	19	-	-	19	16
School uniform	-	-	-	-	1
	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>19</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>	

6 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Short term deposits	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Expenditure

	Non Pay Expenditure			Total 2020 £ 000	Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	2,192	252	155	2,599	2,388
Allocated support costs	402	339	330	1,071	1,114
	<u>2,594</u>	<u>591</u>	<u>485</u>	<u>3,670</u>	<u>3,502</u>
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2019 £ 000	
Total 2019	<u>2,328</u>	<u>588</u>	<u>586</u>	<u>3,502</u>	

Net income/(expenditure) for the year includes:

	2020 £ 000	2019 £ 000
Operating lease rentals	-	6
Depreciation	252	254
Fees payable to auditor - audit	6	6
Fees payable to auditor - other audit services	3	2
	<u>3</u>	<u>2</u>

8 Charitable activities

	2020 £ 000	2019 £ 000
Direct costs - educational operations	2,599	2,388
Support costs - educational operations	1,071	1,114
	<u>3,670</u>	<u>3,502</u>

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	402	402	402
Premises costs	339	339	334
Other support costs	263	263	326
Governance costs	67	67	52
Total support costs	<u>1,071</u>	<u>1,071</u>	<u>1,114</u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Staff

Staff costs

	2020	2019
	£ 000	£ 000
Staff costs during the year were:		
Wages and salaries	1,795	1,676
Social security costs	181	168
Operating costs of defined benefit pension schemes	474	363
	<u>2,450</u>	<u>2,207</u>
Supply staff costs	115	114
Staff restructuring costs	29	7
	<u>2,594</u>	<u>2,328</u>
	2020	2019
	£ 000	£ 000
Staff restructuring costs comprise:		
Redundancy payments	<u>29</u>	<u>7</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,398 (2019: £7,021).

Non-contractual payments £20,398

Staff numbers

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

	2020	2019
	No.	No.
Charitable Activities		
Teachers	27	27
Administration and support	16	24
Management	12	4
	<u>55</u>	<u>55</u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Staff (continued)

Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	2	3
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £401,478 (2019 - £321,558).

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mrs Nicole Gibbon (Principal):

Remuneration: £90,000 - £95,000 (2019 - £85,000 - £90,000)
Employer's pension contributions: £20,000 - £25,000 (2019 - £10,000 - £15,000)

Mr David Spenceley (Staff Trustee):

Remuneration: £Nil (2019 - £50,000 - £55,000)
Employer's pension contributions: £Nil (2019 - £5,000 - £10,000)

Ms Alexandra Simpson (PA to Principal):

Remuneration: £25,000 - £30,000 (2019 - £Nil)
Employer's pension contributions: £0 - £5,000 (2019 - £Nil)

During the year ended 31 August 2020, no travel and subsistence expenses (2019 - £Nil) were reimbursed.

Other related party transactions involving the trustees are set out in note 25.

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2019	11,389	173	48	1,393	13,003
Additions	-	16	-	-	16
At 31 August 2020	<u>11,389</u>	<u>189</u>	<u>48</u>	<u>1,393</u>	<u>13,019</u>
Depreciation					
At 1 September 2019	1,573	158	48	1,339	3,118
Charge for the year	228	4	-	20	252
At 31 August 2020	<u>1,801</u>	<u>162</u>	<u>48</u>	<u>1,359</u>	<u>3,370</u>
Net book value					
At 31 August 2020	<u>9,588</u>	<u>27</u>	<u>-</u>	<u>34</u>	<u>9,649</u>
At 31 August 2019	<u>9,816</u>	<u>15</u>	<u>-</u>	<u>54</u>	<u>9,885</u>

13 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	2	1
VAT recoverable	74	-
Prepayments	<u>76</u>	<u>75</u>
	<u>152</u>	<u>76</u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Current asset investments

	2020	2019
	£ 000	£ 000
Fixed term deposits	<u>465</u>	<u>-</u>

15 Creditors: amounts falling due within one year

	2020	2019
	£ 000	£ 000
Trade creditors	31	61
Other taxation and social security	51	43
Accruals	20	10
Deferred income	19	20
VAT	-	2
Pension scheme creditor	<u>42</u>	<u>36</u>
	<u>163</u>	<u>172</u>

	2020	2019
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2019	20	20
Resources deferred in the period	19	20
Amounts released from previous periods	<u>(20)</u>	<u>(20)</u>
Deferred income at 31 August 2020	<u>19</u>	<u>20</u>

The deferred income relates to income received in respect of rates relief.

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	100	2,542	(2,742)	100	-
Other DfE/ESFA grants	-	375	(375)	-	-
Other government grants	-	171	(171)	-	-
Eastbourne School	5	-	-	-	5
	<u>105</u>	<u>3,088</u>	<u>(3,288)</u>	<u>100</u>	<u>5</u>
Restricted fixed asset funds					
Transfer on Conversion	9,625	-	(245)	-	9,380
DfE/ESFA Capital Grants	142	11	(4)	-	149
Voluntary Income	9	-	-	-	9
Capital from Unrestricted	118	-	(3)	-	115
	<u>9,894</u>	<u>11</u>	<u>(252)</u>	<u>-</u>	<u>9,653</u>
Restricted pension funds					
Pension Reserve	(2,148)	-	(130)	278	(2,000)
Other restricted funds					
Endowment Fund	<u>626</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>627</u>
Total restricted funds	8,477	3,100	(3,670)	378	8,285
Unrestricted funds					
General fund	<u>164</u>	<u>71</u>	<u>-</u>	<u>(100)</u>	<u>135</u>
Total funds	<u><u>8,641</u></u>	<u><u>3,171</u></u>	<u><u>(3,670)</u></u>	<u><u>278</u></u>	<u><u>8,420</u></u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	100	2,667	(2,715)	-	52
Other DfE/ESFA grants	-	221	(221)	-	-
Other government grants	-	87	(87)	-	-
Eastbourne School	5	-	-	-	5
	<u>105</u>	<u>2,975</u>	<u>(3,023)</u>	<u>-</u>	<u>57</u>
Restricted fixed asset funds					
Transfer on Conversion	9,625	-	(247)	-	9,378
DfE/ESFA Capital Grants	142	36	(4)	-	174
Voluntary Income	9	-	-	-	9
Capital from Unrestricted	118	-	(3)	-	115
	<u>9,894</u>	<u>36</u>	<u>(254)</u>	<u>-</u>	<u>9,676</u>
Restricted pension funds					
Pension Reserve	(2,148)	-	(133)	(534)	(2,815)
Other restricted funds					
Endowment Fund	626	79	-	-	705
Total restricted funds	<u>8,477</u>	<u>3,090</u>	<u>(3,410)</u>	<u>(534)</u>	<u>7,623</u>
Unrestricted funds					
General fund	164	99	(92)	-	171
Total funds	<u><u>8,641</u></u>	<u><u>3,189</u></u>	<u><u>(3,502)</u></u>	<u><u>(534)</u></u>	<u><u>7,794</u></u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

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

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

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

The Eastbourne School Fund originates from historical donations made to the Academy. This money is to be used for charitable purposes.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy.

The transfer made from unrestricted funds to the restricted fixed asset fund represents the level of unrestricted funds used to purchase capital assets in the year.

The endowment funds represent funds provided by the Academy's sponsors. Any return on this funding is earmarked for investment in educational activities.

17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Endowment fund £ 000	Total funds £ 000
Tangible assets	-	-	9,649	-	9,649
Current assets	135	168	4	627	934
Current liabilities	-	(163)	-	-	(163)
Pension scheme liability	-	(2,000)	-	-	(2,000)
	<u>135</u>	<u>(1,995)</u>	<u>9,653</u>	<u>627</u>	<u>8,420</u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Analysis of net assets between funds (continued)

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

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Endowment fund £ 000	Total funds £ 000
Tangible assets	-	-	10,112	-	10,112
Current assets	157	400	-	547	1,104
Current liabilities	-	(247)	-	-	(247)
Creditors due in more than one year	-	(1,481)	-	-	(1,481)
	<u>157</u>	<u>(1,328)</u>	<u>10,112</u>	<u>547</u>	<u>9,488</u>

18 Commitments under operating leases

Operating leases

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

	2020 £ 000	2019 £ 000
Amounts due within one year	<u>3</u>	<u>-</u>

19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2020 £ 000	2019 £ 000
Net expenditure	(499)	(313)
Depreciation	7	252
Capital grants from DfE and other capital income	(11)	(36)
Interest receivable	6	(1)
Defined benefit pension scheme cost less contributions payable	24	90
Defined benefit pension scheme finance cost	24	40
Increase in stocks	(2)	-
(Increase)/decrease in debtors	(76)	70
Decrease in creditors	(9)	(75)
Net cash (used in)/provided by Operating Activities	<u>(216)</u>	<u>31</u>

20 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(16)	(27)
(Increase)/decrease in fixed term deposits	(465)	-
Capital funding received from sponsors and others	11	36
Net cash (used in)/provided by investing activities	<u>(469)</u>	<u>11</u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	315	1,000
Total cash and cash equivalents	<u>315</u>	<u>1,000</u>

22 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	1,000	(220)	780
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,000</u>	<u>(220)</u>	<u>780</u>

23 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.

24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham 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 2019.

Contributions amounting to £42,041 (2019 - £36,021) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

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

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

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £320,752 (2019: £202,610).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £84,000 (2019 - £86,000), of which employer's contributions totalled £61,000 (2019 - £64,000) and employees' contributions totalled £23,000 (2019 - £22,000). The agreed contribution rates for future years are 17.9 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	3.30	3.50
Rate of increase for pensions in payment/inflation	2.30	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	<u>2.30</u>	<u>2.00</u>

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

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

	2020	2019
Retiring today		
Males retiring today	22.20	22.30
Females retiring today	24.20	23.80
Retiring in 20 years		
Males retiring in 20 years	23.20	24.00
Females retiring in 20 years	<u>25.70</u>	<u>25.70</u>

Sensitivity analysis

	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate +0.1%	5,775	5,227
Discount rate -0.1%	5,751	5,486
Mortality assumption – 1 year increase	5,556	5,176
Mortality assumption – 1 year decrease	5,976	5,536
CPI rate +0.1%	5,890	5,456
CPI rate -0.1%	<u>5,642</u>	<u>5,256</u>

The academy trust's share of the assets in the scheme were:

	2020 £ 000	2019 £ 000
Equities	1,860	1,617
Corporate bonds	553	375
Government bonds	899	824
Property	267	231
Cash and other liquid assets	<u>184</u>	<u>160</u>
Total market value of assets	<u>3,763</u>	<u>3,207</u>

The actual return on scheme assets was £440,000 (2019 - £304,000).

St Aidan's Church of England Academy Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020	2019
	£ 000	£ 000
Current service cost	151	104
Past service cost	-	53
Interest income	(62)	(80)
Interest cost	102	120
	<u>191</u>	<u>197</u>
Total amount recognised in the SOFA	<u>191</u>	<u>197</u>

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

	2020	2019
	£ 000	£ 000
At start of period	5,355	4,282
Current service cost	151	104
Interest cost	102	120
Employee contributions	23	22
Actuarial (gain)/loss	100	758
Benefits paid	32	16
Past service cost	-	53
	<u>5,763</u>	<u>5,355</u>
At 31 August	<u>5,763</u>	<u>5,355</u>

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

	2020	2019
	£ 000	£ 000
At start of period	3,207	2,801
Interest income	62	80
Actuarial gain/(loss)	378	224
Employer contributions	61	64
Employee contributions	23	22
Benefits paid	32	16
	<u>3,763</u>	<u>3,207</u>
At 31 August	<u>3,763</u>	<u>3,207</u>

25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.