

Company Registration Number: 07891230 (England & Wales)

QUARRYDALE ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

QUARRYDALE ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J Heald Mr P Gregory (Deceased 23 April 2020) Mr P Marshall Mr N Luke (Appointed 24 August 2020) Mr N Walton (Appointed 24 August 2020)
Trustees	Mr A Heathcote Ms E Derner Mr J Heald Mrs J Price (Appointed 18 December 2019) Mrs J Wildsmith Mrs J Wells (Appointed 11 November 2019) Mr J Smart Mrs L Gardner (Appointed 18 December 2019) Miss L Ward Mr N Luke Mr N Walton Mr P Hodson Mr P Marshall Mrs S Poxon (Appointed 18 December 2019) Mr T Paling, Head Teacher & Accounting Officer Mr P Gregory (Resigned 23 April 2020)
Company registered number	07891230
Company name	Quarrydale Academy
Principal and registered office	Stoneyford Road Sutton in Ashfield Nottingham Nottinghamshire NG17 2DU
Business Manager	Mrs J Wells Appointed 23/09/2020 Mrs J Marsh Resigned 31/10/2020
Senior management team	Mr Paling, Head Teacher Mr M Sturrock, Associate Assistant Head Mr P Holmes, Assistant Head Teacher (September Only) Mr M Danylevych, Associate Assistant Head Mrs L Maddison, Associate Assistant Head Mr S Cooper, Associate Assistant Head Mr C Slack, Assistant Head Teacher Mrs J Marsh, Finance Manager (Resigned 31/10/2019) Mrs J Wells, Business Manager (Appointed 23/09/2020) Mr P Hodson Mr A Heathcote

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors	Duncan and Toplis Limited Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Lloyds Bank Portland Square Sutton-in-Ashfield NG17 1BA
Solicitors	Stone King LLP 16 St Johns Lane London EC1M 4BS

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The Trust operates as an Academy for pupils aged 11-18 serving a catchment area of Sutton in Ashfield. It has a pupil capacity of 968 and had a roll of 1159 on the 15th May 2020 which would have been the Spring Census. No census was collected in May this year due to the COVID-19 situation.

Structure, governance and management

a. Constitution

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

The Trustees of Quarrydale Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Quarrydale Academy.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £5,000,000.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Articles outline the different types of Governor, each category has slightly differing election processes, as outlined below:

- The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher or any post which is held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.
- Foundation Trustees in office appoint foundation Trustees to any foundation governor's vacancies.
- The Governing Body may appoint up to 6 Community Governors.
- Up to 7 Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The term of office of a parent governor can continue until the end of the 4 year term even if the governor ceases to be the parent of a registered pupil.
- Up to 3 Staff Governors shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Principal). If a Staff Governor ceases to work at the Academy then he shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy. Any election of a Staff Governor which is contested shall be held by secret ballot.

Governors are subject to retirement or re-election at the end of their 4 year term of office unless the eligibility conditions listed above prevail.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors are given a tour of the Academy.

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. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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

Structure, governance and management (continued)

f. Organisational structure

The structure of the Academy consists of three senior levels: The Board of Directors (Governing Body), then the Headteacher leading the Senior Leadership Team, which includes Six Assistant Headteachers.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the Academy's policies, adopting the Academy Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and staffing.

The Headteacher and Senior Leadership Team control the Academy at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has established three sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Headteacher (The Accounting Officer) and to the Senior Leadership Team.

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The academy has an approved Financial Handbook which details the Academy's authorised spending limits.

The sub-committees of the Governing Body are:

- Finance & Audit Committee
- Pupils and Personnel Committee
- Strategic Development Committee

g. Connected Organisations including Related Party Relationships

Quarrydale operates as a stand-alone Academy and does not have any soft or hard federations with any other Academies or MAT. It works closely with other educational establishments as required on a non-cost operation in the pursuit of excellence in learning and teaching.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	1,330	
Total pay bill	5,449,091	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	52	%
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i. Arrangements for setting pay and remuneration of key management personnel

Quarrydale Academy has a well-established pay policy for all staff including Key Management Personnel. The teachers' pay policy is based on the Department of Education's model policy, which is non-statutory. The Members of the Academy will determine the salary and progression of the Headteacher. The pay of a serving SLT member is awarded in accordance with the Academy's policy and consulting the Teachers' Pay and Conditions. All senior staff within the Academy must demonstrate a sustained high quality of performance in respect of school leadership and management and any pay progression is subject to a review of performance against their appraisal objectives.

For all support staff, pay is determined and set in accordance with the Academy's Pay Policy taking into consideration the level of responsibility and the determination of banding following job evaluation. The grades follow those set out in the National Joint Council Local Government Salary Scales.

All support staff within the Academy must perform at a sustained high level and to ensure this all support staff actively participate in an appraisal system. In order for a member of support staff to progress into a higher band they need to demonstrate exceptional performance or accept additional responsibilities from those which they are currently contracted to do.

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

Objectives and activities

a. Objects and aims

- To provide a broad and balanced education for all children that enables them to achieve positive outcomes and reach their academic potential
- To promote and maintain exceptionally high expectations of all students and improve the outcomes for all learners in all subjects to reach a positive 'Progress 8 Score' (greater than 0) and an Attainment 8 Score which is above the national average.
- Ensure more-able pupils achieve a higher proportion of 8/9 GCSE grades or equivalent, particularly in key subjects, for example, English, Mathematics and Science.
- To continue our drive to meet the Government's ambition of having 75% of students entered for the English Baccalaureate by 2022
- Implement more targeted quality assurance procedures for subjects, which performed below expectation in 2019-20 in order for more rapid progress to be achieved in 2020.

b. Objectives, strategies and activities

- Ensure all subjects complete the Academy QA processes as per the dates of the calendar, thus ensuring sharp quantifiable improvement targets exist for all subject areas and are acted upon.
- Allocate underperforming subjects greater support, using a bespoke programme of intervention, monitoring and evaluation to ensure greater progress is made by all students in 2021 results.
- Further enhance our external validation exercises with external partners to provide a robust, effective and supportive Academy improvement process and to ensure all students and curriculum areas benefit from this process.

c. Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Academy's public benefit is enshrined in its charitable objects, which state:-

- To advance for the public benefit education in the region of Sutton in Ashfield and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing Academies, offering broad curriculum with a strong emphasis on providing the best education possible and playing a key role in providing an effective service to the local area.
- To provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.
- 'Every Quarrydale Child' is placed firmly at the centre of our attention and heart of our vision.

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

Strategic report

Achievements and performance

a. Achievements and Performance

Student achievement has significantly improved and even though 2020 outcomes are based on teacher assessment due to COVID-19 a full analysis of these results has been completed and actions have already been taken to ensure 2021 outcomes improve further. A significant contribution to this improvement was the introduction of half-termly RAG meetings with each Head of Department to focus on students who are not achieving expected outcomes and implement effective intervention and support.

Leaders will work with all teachers to improve their accountability for students' outcomes. KS3 teachers have not shared in this responsibility to date and staff need to be made more aware of how important curriculum structure and delivery at KS3 is to securing good KS4 outcomes.

A review of the intervention strategies used last year has also taken place to identify which strategies were most effective. Curriculum changes will also be made to introduce a greater focus on retrieval and on developing the motivation and stamina needed to do well in a series of external examinations.

The school is committed to meeting the Government's national agenda and is working towards 75% of students taking the EBacc by 2022 and the curriculum has been redeveloped. In addition, work will focus on helping KS3 students develop greater motivational and goal setting skills, while promoting resilience to overcome barriers and accept new challenges. Y9 will also feature a summer term programme for Y9 students to assess and promote students' GCSE readiness as a platform to meet the demands of GCSE study.

The Headteacher believes the school offers an ambitious curriculum and recognises that a significant amount of work has been done in this area. The focus on the EBacc at KS4 and academic subjects at Post 16 builds ambition and careers guidance and support to access higher education is good and valued by students. NEET figures are low with 98% of pupils remaining in employment, education or training following completing their compulsory education.

The curriculum has been adapted to meet the needs of all students, regardless of background, social circumstances and ability.

For the main student body, the school offers two curriculum pathways at the start of Key Stage 4 study. The blue pathway is based on the EBacc and taken by a significant number of students. The remaining students take the green pathway, which includes a higher vocational element. Leaders are looking at whether an additional pathway needs to be constructed. Students and staff are able to influence the curriculum offer.

Leaders' analysis of student performance recognises that their ability for deeper learning is improving, but is still a key area to develop. Leaders want to improve students' self-belief and motivation, develop their resilience and develop higher order thinking skills.

Behaviour within the academy is good both in lessons and in unstructured times, due to the high expectations that leaders and staff have. Feedback from staff, students and visitors to the school confirms this judgement. Supply staff also comment favourably about behaviour, saying there is nice atmosphere in the school. Teachers believe that their behaviour management is good. Leaders now want to work with staff to maximise the impact of these good relationships, so that the minority of lessons that are subject to low level disruption reduce further.

Leaders have introduced comprehensive whole school reading strategies to promote a thirst for knowledge, love

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

Strategic report (continued)

Achievements and performance (continued)

of learning and increase vocabulary. Many students on entry have low literacy levels and immediate reading tests are conducted to highlight where additional support is required. A high level of literacy results in students being able to access the curriculum for a deeper understanding and application of skills and knowledge.

b. Key Financial Performance Indicators

Financially the Academy is secure, with a three-year budget plan in place which shows that it will operate within the framework as set out by the DfE.

The Academy was rated as Good by Ofsted March 2017 and is not under any monitoring or management arrangement with the Regional Schools Commissioner.

The Academy continues to be over-subscribed and has moved from a 6 form entry to an 8 form entry. We are currently accepting approximately 30 students above our PAN of 210. The reputation of the Academy is exceptionally positive within the community and students, staff and parents are happy with the service we provide.

c. Going Concern

After making appropriate enquires, the 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 basis can be found in the Statement of Accounting Policies.

Financial review

a. Overview

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2020, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £6,657,824. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £6,320,858 and transfers out to the restricted fixed asset fund of £244,139 to give a surplus of income over expenditure on revenue funding totalling £92,827. This equates to the change in balance of the restricted general funds (excluding pension reserve) plus unrestricted funds reported at the previous year end.

At 31 August 2020 the Local Government pension scheme deficit was £6,248,000. Although the deficit is material, the academy is taking the advice of the actuary regarding the repayment structure. Advised future contributions have also been included within the annual budget.

The amount that can only be realised by disposing of tangible fixed assets is £13,580,039.

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FOR THE YEAR ENDED 31 AUGUST 2020

b. Reserves Policy

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the Trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £527,000 to £1,054,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's current level of free reserves as at 31 August 2020 £352,808 (2019: 259,982.) comprising of unrestricted funds of £317,670 and restricted of £35,138.

At the end of the prior financial period (year ended 31 August 2019) the academy had free reserves £259,982.

The trustees are aware the reserves are below the desired level and are working to restore this to target in the medium term.

c. Investment Policy

The main bank account reserves are used to enable the Academy to make improvements in the buildings once the Governors have approved any project and have assessed against the risk of leaving the Academy in a deficit budget.

d. Principal Risks and Uncertainties

Based on the strategic plan, the Finance and General Purposes Committee undertakes a comprehensive review of the risks to which the Academy is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into Academy policies. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emergency risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Finance and General Purposes Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

Outlined below is a description of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

1. Government funding

The academy has considerable reliance on continued government funding through the Education Skills Funding Agency (ESFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the

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

various funding bodies;

- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS102.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the academy delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes; and
- investing in its teaching staff and resources.

With ongoing commitment to quality, the academy now provides market-leading learning environments with state of the art technology and specialist resources. This places the academy in an excellent position to attract new pupils.

Fundraising

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

Plans for future periods

The Academy is seeking to exploit the opportunities afforded by conversion to academy status. Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also, importantly, to improve the Academy estate.

Funds held as custodian on behalf of others

The Academy holds money in the bank account in relation to Academy trips income held on behalf of the parents.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:

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



.....
Mr. J. Heald
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Quarrydale Academy 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 Trustees have delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform to 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 Quarrydale Academy and the Secretary of State for Education. They are also responsible for reporting to the Members any material weaknesses or breakdowns in internal control.

Governance

The full Governing Body have proposed to review their structure and composition over the next Academic year, presently the structure and Governance is shown below:

The governing body:

Sets the strategic direction of the Academy by:

- Setting the values, aims and objectives for the academy
- Agreeing the policy framework for achieving those aims and objectives
- Setting targets
- Agreeing the academy improvement strategy which includes approving the budget and agreeing the staffing structure

Challenges and supports the academy by monitoring, reviewing and evaluating:

- The implementation and effectiveness of the policy framework
- Progress towards targets
- The implementation and effectiveness of the academy improvement strategy
- The budget and the staffing structure
- Conducts self-evaluation

Ensures accountability by:

- Responding to Ofsted reports when necessary
- Holding the principal to account for the performance of the academy
- Ensuring parents and pupils are involved, consulted and informed as appropriate
- Making available information to the community

Appoints and performance manages the headteacher who will deliver the aims (through the day-to-day management of the academy, implementation of the agreed policy framework and Academy improvement strategy, and delivery of the curriculum) and report appropriately to the governing body.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The governing body has formally met 3 times during the year.

Attendance during the year at meetings of the governing body was as follows:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustee	Meetings attended	Out of a possible
Mr A Heathcote	1	3
Ms E Derner	3	3
Mr J Heald	2	3
Mrs J Price	0	2
Mrs J Wildsmith	1	3
Mrs J Wells	3	3
Mr J Smart	3	3
Mrs L Gardner	2	2
Miss L Ward	3	3
Mr N Luke	3	3
Mr N Walton	1	3
Mr P Hodson	3	3
Mr P Marshall	3	3
Mrs S Poxon	2	2
Mr T Paling, Head Teacher & Accounting Officer	3	3
Mr P Gregory	0	2

The full governing body formally meet 3 times during the year and each sub-committee meets 3 times per year. This means that each governor will have the opportunity to attend a minimum of 6 governor meetings per year. However, the Members will have 12 opportunities if they attend all calendared meetings.

Finance & Audit Committee

	Meetings attended	Out of a possible
Peter Gregory	1	1
Tim Paling	2	2
John Heald	0	2
Joanna Wells	2	2
Jonathan Smart	2	2
Phillipa Marshall	2	2
Mrs S Poxon	0	1
Mrs J Price	1	1

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

The accounting officer for the academy has delivered improved value for money during the year by:

A review of spending was conducted for areas of the budget that do not have fixed costs. These areas included capitation. Where possible, discounts were achieved by either re-negotiation or change of contracts across several areas within the academy.

The areas where reviews and cost savings have taken place are as follows:

- Full review of photocopying and printing costs across the whole academy
- Re-negotiation of grounds maintenance/landscaping services contract
- Introduction of cashless system which allows parents to pay online for trips and other payment items. This change has significantly improved efficiencies within the finance department

The Academy has secured additional funding from external bodies to support students in achieving their goals at higher education establishments. This funding has been used to provide additional staffing where required, visits to universities and outside speakers to raise aspiration. In addition, a bespoke programme for our most able students took place. The students were allocated a mentor to assist them with their wellbeing and studies to maximise their potential.

The Academy promotes fair competition through quotation and tender, in accordance with its Finance procedures, to ensure that goods and services are secured in the most economic, efficient and effective way. For example, three tenders were obtained for the Condition Improvement Fund projects during the year for replacement windows and heating/boiler upgrades.

Budget Monitoring reports are produced at monthly intervals by the finance team. All budget holders are copied with a statement of the original budget allocation, actual spend to date and remaining budget. The Finance & General Purposes Committee and Chair of Trustees are updated on budget position at least once a month and any significant variances against budget are addressed.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's 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 Quarrydale Academy for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees have 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 Members Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy 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, Audit and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Duncan and Toplis Limited, the external auditors, to perform additional checks.

In accordance with the revised FRC ethical standard for auditors, the Trust has given due consideration to separating its internal scrutiny arrangements from the external audit function. The board have been in contact with a member of the Kreston Group and in the coming weeks are hoping to discuss internal audit plans.

- The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:
 - testing of payroll systems
 - testing of purchase systems
 - testing of control account/ bank reconciliation's

On a quarterly basis, the auditors' report to the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Copies of the auditors' reports are available on request and any points of action have always been acted upon as a matter of urgency.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

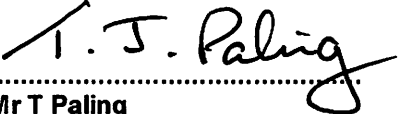
As Accounting Officer the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on their behalf by:


.....
Mr J Heald
Chair of Members


.....
Mr T Paling
Accounting Officer

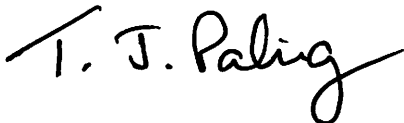
QUARRYDALE ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Quarrydale Academy Trust I have considered my responsibility to notify the Academy trust governing body and the Education & Skills Funding Agency 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.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:



Mr T Paling
Accounting Officer
Date: 9 December 2020

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

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

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


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

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

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

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

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


.....
Mr J Heald
Chair of Members Board
Date: 9 December 2020

QUARRYDALE ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUARRYDALE ACADEMY**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUARRYDALE ACADEMY (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUARRYDALE ACADEMY (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Alistair Main FCA (Senior statutory auditor)
for and on behalf of
Duncan and Toplis Limited
Chartered Accountants and Statutory Auditors
15 Chequergate
Louth
Lincolnshire
LN11 0LJ

10 December 2020

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 September 2018 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 Quarrydale Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Quarrydale Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Quarrydale Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Quarrydale Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Quarrydale Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Quarrydale Academy's funding agreement with the Secretary of State for Education dated 31 March 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Conclusion

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

Alistair Main FCA
Duncan and Toplis Limited
Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 10 December 2020

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	95,500	-	512,484	607,984	833,758
Charitable activities:						
Other charitable activities		-	6,297,551	-	6,297,551	5,919,052
Other trading activities		264,459	-	-	264,459	188,175
Investments	6	314	-	-	314	415
Total income		360,273	6,297,551	512,484	7,170,308	6,941,400
Expenditure on:						
Charitable activities:						
Other charitable activities		283,504	6,390,354	90,492	6,764,350	7,049,553
Total expenditure		283,504	6,390,354	90,492	6,764,350	7,049,553
Net income/(expenditure)		76,769	(92,803)	421,992	405,958	(108,153)
Transfers between funds	16	(19,080)	(225,059)	244,139	-	-
Net movement in funds before other recognised gains/(losses)		57,689	(317,862)	666,131	405,958	(108,153)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(1,302,000)	-	(1,302,000)	(785,000)
Net movement in funds		57,689	(1,619,862)	666,131	(896,042)	(893,153)

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	259,982	(4,593,000)	13,324,971	8,991,953	9,885,106
Net movement in funds	57,689	(1,619,862)	666,131	(896,042)	(893,153)
Total funds carried forward	317,671	(6,212,862)	13,991,102	8,095,911	8,991,953

QUARRYDALE ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07891230

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	13,580,039	13,013,963
Current assets			
Debtors	14	428,963	633,630
Cash at bank and in hand		541,957	540,992
Liabilities		<u>970,920</u>	<u>1,174,622</u>
Creditors: amounts falling due within one year	15	(207,048)	(603,632)
Net current assets		<u>763,872</u>	<u>570,990</u>
Total assets less current liabilities		<u>14,343,911</u>	<u>13,584,953</u>
Net assets excluding pension liability		<u>14,343,911</u>	<u>13,584,953</u>
Defined benefit pension scheme liability	24	(6,248,000)	(4,593,000)
Total net assets		<u><u>8,095,911</u></u>	<u><u>8,991,953</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	13,991,102	13,324,971
Restricted income funds	16	35,138	-
Restricted funds excluding pension asset	16	<u>14,026,240</u>	<u>13,324,971</u>
Pension reserve	16	(6,248,000)	(4,593,000)
Total restricted funds	16	<u>7,778,240</u>	<u>8,731,971</u>
Unrestricted income funds	16	<u>317,671</u>	<u>259,982</u>
Total funds		<u><u>8,095,911</u></u>	<u><u>8,991,953</u></u>

The financial statements on pages 25 to 56 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

QUARRYDALE ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07891230

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020


.....
Mr J Heald
Chair of Trustees

QUARRYDALE ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	149,735	<i>(300,099)</i>
Cash flows from investing activities	19	(148,770)	279,228
Change in cash and cash equivalents in the year		965	<i>(20,871)</i>
Cash and cash equivalents at the beginning of the year		540,992	561,863
Cash and cash equivalents at the end of the year	20, 21	541,957	<i>540,992</i>

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **Charitable activities**

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

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

1.7 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Tangible fixed assets

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

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

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

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Furniture and equipment	- 25% reducing balance
Computer equipment	- 13% and 33% straight line
Motor vehicles	- 25% reducing balance

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

1.9 Liabilities

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

1.10 Provisions

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

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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.

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of financial activities incorporating income and expenditure account. The funds received, disbursements paid and any balances held at the year end are disclosed in note 28.

QUARRYDALE ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.15 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	748	-	748
Capital Grants	-	512,484	512,484
Contributions to visits	94,752	-	94,752
	<u>95,500</u>	<u>512,484</u>	<u>607,984</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	43,552	-	43,552
Capital Grants	-	727,620	727,620
Contributions to visits	62,586	-	62,586
	<u>106,138</u>	<u>727,620</u>	<u>833,758</u>

4. Funding for the Academy's funding for the academy trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	5,575,272	5,575,272	5,456,547
Pupil Premium	288,518	288,518	288,282
Other DfE/ESFA Revenue Grants	45,044	45,044	51,909
Teachers' Pay and Pension Grant	298,201	298,201	29,169
	<u>6,207,035</u>	<u>6,207,035</u>	<u>5,825,907</u>
Other income			
SEN 1-1 Funding	74,264	74,264	84,943
Other local authority grants	13,500	13,500	8,202
Other government revenue grant	2,752	2,752	-
	<u>90,516</u>	<u>90,516</u>	<u>93,145</u>
	<u><u>6,297,551</u></u>	<u><u>6,297,551</u></u>	<u><u>5,919,052</u></u>

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5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Catering income	93,457	93,457	128,273
Lettings income	10,946	10,946	3,677
Other income	160,056	160,056	56,225
	<u>264,459</u>	<u>264,459</u>	<u>188,175</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank account interest	314	314	415
	<u>314</u>	<u>314</u>	<u>415</u>

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Funding for the academy trust's educational operations:				
Direct costs	4,499,497	27,403	514,712	5,041,612
Allocated support costs	1,186,408	209,179	327,151	1,722,738
	<u>5,685,905</u>	<u>236,582</u>	<u>841,863</u>	<u>6,764,350</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure (continued)

	<i>Staff Costs</i> 2019 £	<i>Premises</i> 2019 £	<i>Other</i> 2019 £	<i>Total</i> 2019 £
Funding for the academy trust's educational operations:				
Direct costs	4,376,532	357,972	497,950	5,232,454
Allocated support costs	1,097,551	310,181	409,367	1,817,099
	<u>5,474,083</u>	<u>668,153</u>	<u>907,317</u>	<u>7,049,553</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Funding for the academy trust's educational operations	<u>5,041,612</u>	<u>1,722,738</u>	<u>6,764,350</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Funding for the academy trust's educational operations	<u>5,232,454</u>	<u>1,817,099</u>	<u>7,049,553</u>

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

Analysis of direct costs

	Educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	4,499,497	4,499,497	4,376,532
Depreciation	91,930	91,930	357,972
Educational supplies	185,440	185,440	261,556
Technology costs	72,319	72,319	73,830
Examination fees	111,300	111,300	103,938
Staff development	23,810	23,810	31,144
Other costs	58,754	58,754	27,482
Fixed asset losses	(1,438)	(1,438)	-
	<u>5,041,612</u>	<u>5,041,612</u>	<u>5,232,454</u>

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	1,186,408	1,186,408	1,097,551
Technology costs	12,574	12,574	18,091
Recruitment and support	18,274	18,274	20,628
Maintenance of premises and equipment	19,209	19,209	142,812
Cleaning	14,879	14,879	25,976
Rent and rates	28,259	28,259	47,390
Energy costs	85,159	85,159	94,003
Insurance	61,673	61,673	54,462
Transport	1,220	1,220	4,343
Telephone, postage and stationery	21,904	21,904	31,785
Catering	90,818	90,818	99,967
Other costs	93,131	93,131	99,567
Bank interest and charges	29	29	27
Operating leases - other	8,044	8,044	7,839
Auditors' remuneration	15,563	15,563	20,548
Professional fees	64,100	64,100	49,581
Legal fees	1,494	1,494	2,529
	<u>1,722,738</u>	<u>1,722,738</u>	<u>1,817,099</u>

During the year ended 31 August 2020, the Academy incurred the following Governance costs: £84,468 (2019 - £74,975) included within the table above in respect of Funding for the academy trust's educational operations.

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	3,796	7,839
Depreciation of tangible fixed assets	91,930	357,972
Auditors' remuneration		
- audit	7,540	10,850
- other services	6,428	3,640
	7,540	10,850

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,101,287	3,969,717
Social security costs	387,729	375,767
Pension costs	1,140,615	949,093
	5,629,631	5,294,577
Agency staff costs	56,274	84,122
Staff restructuring costs	-	95,384
	5,685,905	5,474,083

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	21,375
Severance payments	-	74,009
	-	95,384

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £74,009).

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10. Staff (continued)

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	78	78
Admin and Support	78	80
Management	1	1
	157	159

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	-	2
In the band £80,001 - £90,000	-	1
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	-	1

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £681,437 (2019 £604,827).

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

11. Trustees' remuneration and expenses

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

		2020	2019
		£	£
Mr T Paling	Remuneration	100,000 -	100,000 -
		105,000	105,000
	Pension contributions paid	20,000 -	15,000 -
		25,000	20,000
Mr P Hodson	Remuneration	45,000 -	45,000 -
		50,000	50,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Mrs J Marsh (resigned 31/10/2019)	Remuneration	5,000 -	70,000 -
		10,000	75,000
	Pension contributions paid	0 - 5,000	10,000 -
			15,000
Mr A Heathcote	Remuneration	45,000 -	45,000 -
		50,000	50,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Mrs J Wells (Appointed 11 November 2019)	Remuneration	35,000 -	
		40,000	
	Pension contributions paid	5,000 -	
		10,000	

During the year ended 31 August 2020, expenses totalling £39 were reimbursed or paid directly to 1 Trustee (2019 - £NIL to Trustee). The reimbursed expenditure relates to educational materials paid for by a trustee.

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £2,700 (2019 - £2,637). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	14,824,454	253,950	287,993	39,529	15,405,926
Additions	631,241	23,977	1,950	4,400	661,568
Disposals	-	-	-	(4,750)	(4,750)
At 31 August 2020	15,455,695	277,927	289,943	39,179	16,062,744
Depreciation					
At 1 September 2019	1,969,472	141,969	249,489	31,033	2,391,963
Charge for the year	27,403	34,832	28,278	1,417	91,930
On disposals	-	-	-	(1,188)	(1,188)
At 31 August 2020	1,996,875	176,801	277,767	31,262	2,482,705
Net book value					
At 31 August 2020	13,458,820	101,126	12,176	7,917	13,580,039
<i>At 31 August 2019</i>	<i>12,854,982</i>	<i>111,981</i>	<i>38,504</i>	<i>8,496</i>	<i>13,013,963</i>

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	-	14,268
Prepayments and accrued income	419,202	603,770
VAT recoverable	9,761	15,592
	428,963	633,630

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15. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	109,817	161,551
Other taxation and social security	-	95,702
Other creditors	33,151	125,764
Accruals and deferred income	64,080	220,615
	207,048	603,632
	2020	2019
	£	£
Deferred income at 1 September 2019	42,277	43,022
Resources deferred during the year	12,800	42,277
Amounts released from previous periods	(42,277)	(43,022)
	12,800	42,277

Deferred income is for Higher Learning Needs funding received in advance for 2020/21.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	259,982	360,273	(283,504)	(19,080)	-	317,671
Restricted general funds						
General Annual Grant (GAG)	-	5,575,273	(5,344,108)	(231,165)	-	-
Other DfE/ESFA Grants	-	343,245	(316,200)	6,106	-	33,151
Pupil Premium	-	288,517	(288,517)	-	-	-
Other Local Authority Revenue Grants	-	13,500	(11,513)	-	-	1,987
Other Government Revenue Grants	-	77,016	(77,016)	-	-	-
Pension reserve	(4,593,000)	-	(353,000)	-	(1,302,000)	(6,248,000)
	<u>(4,593,000)</u>	<u>6,297,551</u>	<u>(6,390,354)</u>	<u>(225,059)</u>	<u>(1,302,000)</u>	<u>(6,212,862)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	727,620	512,484	(22,833)	-	-	1,217,271
Capital expenditure from GAG	2,153,895	-	187,310	244,139	-	2,585,344
Capital expenditure from other income	10,443,456	-	(254,969)	-	-	10,188,487
	<u>13,324,971</u>	<u>512,484</u>	<u>(90,492)</u>	<u>244,139</u>	<u>-</u>	<u>13,991,102</u>
Total Restricted funds	<u>8,731,971</u>	<u>6,810,035</u>	<u>(6,480,846)</u>	<u>19,080</u>	<u>(1,302,000)</u>	<u>7,778,240</u>
Total funds	<u><u>8,991,953</u></u>	<u><u>7,170,308</u></u>	<u><u>(6,764,350)</u></u>	<u><u>-</u></u>	<u><u>(1,302,000)</u></u>	<u><u>8,095,911</u></u>

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16. Statement of funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE/ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the Academy based on specific bids for individual projects.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £353,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £1,302,000 actuarial decrease in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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

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16. Statement of funds (continued)

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds	368,381	294,728	(348,603)	(54,524)	-	259,982
Restricted general funds						
General Annual Grant (GAG)	-	5,485,716	(5,685,356)	199,640	-	-
Other DfE/ESFA Grants	55,843	51,909	(32,700)	(75,052)	-	-
Other Restricted Income	(37,246)	93,145	-	(55,899)	-	-
Pupil Premium	-	288,282	(241,922)	(46,360)	-	-
Pension reserve	(3,425,000)	-	(383,000)	-	(785,000)	(4,593,000)
	<u>(3,406,403)</u>	<u>5,919,052</u>	<u>(6,342,978)</u>	<u>22,329</u>	<u>(785,000)</u>	<u>(4,593,000)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	-	727,620	-	-	-	727,620
Capital expenditure from GAG	2,239,472	-	(117,772)	32,195	-	2,153,895
Capital expenditure from other income	10,683,656	-	(240,200)	-	-	10,443,456
	<u>12,923,128</u>	<u>727,620</u>	<u>(357,972)</u>	<u>32,195</u>	<u>-</u>	<u>13,324,971</u>
Total Restricted funds	<u>9,516,725</u>	<u>6,646,672</u>	<u>(6,700,950)</u>	<u>54,524</u>	<u>(785,000)</u>	<u>8,731,971</u>
Total funds	<u><u>9,885,106</u></u>	<u><u>6,941,400</u></u>	<u><u>(7,049,553)</u></u>	<u><u>-</u></u>	<u><u>(785,000)</u></u>	<u><u>8,991,953</u></u>

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

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	13,580,039	13,580,039
Current assets	317,671	242,186	411,063	970,920
Creditors due within one year	-	(207,048)	-	(207,048)
Provisions for liabilities and charges	-	(6,248,000)	-	(6,248,000)
Total	317,671	(6,212,862)	13,991,102	8,095,911

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	13,013,963	13,013,963
Current assets	259,982	603,632	311,008	1,174,622
Creditors due within one year	-	(603,632)	-	(603,632)
Provisions for liabilities and charges	-	(4,593,000)	-	(4,593,000)
Total	259,982	(4,593,000)	13,324,971	8,991,953

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of financial activities)	405,958	(108,153)
Adjustments for:		
Depreciation	91,930	357,972
Capital grants from DfE and other capital income	(512,484)	(727,620)
Dividends, interest and rents from investment	(314)	(415)
Loss of the sale of fixed assets	3,562	-
Defined benefit pension scheme cost less contributions payable	271,000	295,000
Defined benefit pension scheme finance cost	82,000	88,000
Decrease/(increase) in debtors	204,667	(542,741)
(Decrease)/increase in creditors	(396,584)	337,858
Net cash provided by/(used in) operating activities	149,735	(300,099)

19. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	314	415
Purchase of tangible fixed assets	(661,568)	(448,807)
Capital grants from DfE Group	512,484	727,620
Net cash (used in)/provided by investing activities	(148,770)	279,228

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	541,957	540,992
Total cash and cash equivalents	541,957	540,992

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

21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	540,992	965	541,957
	540,992	965	541,957

22. Contingent liabilities

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

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

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

23. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	579,307	-

24. Pension commitments

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

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

Contributions amounting to £ - were payable to the schemes at 31 August 2020 (2019 - £81,644) and were included within creditors.

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24. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £644,761 (2019 - £450,856).

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

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

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £295,000 (2019 - £270,000), of which employer's contributions totalled £225,000 (2019 - £202,000) and employees' contributions totalled £ 70,000 (2019 - £68,000). The agreed contribution rates for future years are 20.8 per cent for employers and 5.5 - 6.8 per cent for employees.

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

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

Principal actuarial assumptions

	2020	<i>2019</i>
	%	<i>%</i>
Rate of increase in salaries	3.25	<i>3.7</i>
Rate of increase for pensions in payment/inflation	2.25	<i>2.2</i>
Discount rate for scheme liabilities	1.60	<i>1.85</i>

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

	2020	<i>2019</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	21.8	<i>21.7</i>
Females	24.4	<i>25.6</i>
<i>Retiring in 20 years</i>		
Males	23.2	<i>23.3</i>
Females	25.9	<i>26.2</i>

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

Sensitivity analysis

	2020	<i>2019</i>
	£000	<i>£000</i>
Discount rate +0.1%	(19)	<i>(211)</i>
Discount rate -0.1%	19	<i>216</i>
Mortality assumption - 1 year increase	21	<i>338</i>
Mortality assumption - 1 year decrease	(20)	<i>(326)</i>
CPI rate +0.1%	19	<i>186</i>
CPI rate -0.1%	(18)	<i>(181)</i>

Share of scheme assets

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

	2020	<i>2019</i>
	£	<i>£</i>
Equities	2,701,000	<i>2,803,000</i>
Gilts	175,000	<i>147,000</i>
Corporate bonds	387,000	<i>387,000</i>
Property	594,000	<i>594,000</i>
Cash and other liquid assets	177,000	<i>132,000</i>
Other	483,000	<i>430,000</i>
Total market value of assets	4,517,000	<i>4,493,000</i>

The actual return on scheme assets was £157,000 (2019 - £197,000).

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

	2020	<i>2019</i>
	£	<i>£</i>
Current service cost	(496,000)	<i>(408,000)</i>
Past service cost	-	<i>(89,000)</i>
Interest income	84,000	<i>111,000</i>
Interest cost	(166,000)	<i>(199,000)</i>
Administrative expenses	(2,000)	<i>(1,000)</i>
Total amount recognised in the Statement of financial activities	(580,000)	<i>(586,000)</i>

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

Past service costs for 2020 are £nil (2019: £89,000) These arose last year as a direct result of the McCloud judgement.

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

	2020 £	2019 £
At 1 September	9,086,000	7,513,000
Current service cost	496,000	408,000
Interest cost	166,000	199,000
Employee contributions	70,000	68,000
Actuarial losses	1,190,000	870,000
Benefits paid	(243,000)	(61,000)
Past service costs	-	89,000
At 31 August	10,765,000	9,086,000

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

	2020 £	2019 £
At 1 September	4,492,000	4,088,000
Interest income	84,000	110,000
Actuarial (losses)/gains	(112,000)	85,000
Employer contributions	225,000	202,000
Employee contributions	70,000	68,000
Benefits paid	(243,000)	(61,000)
At 31 August	4,516,000	4,492,000

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

25. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	5,199	5,199
Later than 1 year and not later than 5 years	16,290	16,998
Later than 5 years	-	7,791
	<u>21,489</u>	<u>29,988</u>

26. Members' liability

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

27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2020 the trust received £17,719 (2019 - £20,409) and disbursed £12,709 (2019 - £14,226). An amount of £33,151 (2019 - £28,141) is included in other creditors relating to undistributed funds that are repayable to ESFA.