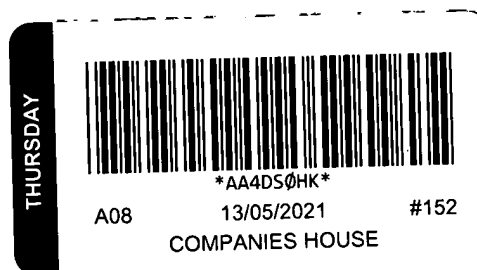


Company Registration Number: 07557894 (England & Wales)

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

| | Page |
|---|----------------|
| Reference and Administrative Details | 1 - 2 |
| Chairman's Statement | 3 - 4 |
| Trustees' Report | 5 - 16 |
| Governance Statement | 17 - 21 |
| Statement on Regularity, Propriety and Compliance | 22 |
| Statement of Trustees' Responsibilities | 23 |
| Independent Auditors' Report on the Financial Statements | 24 - 26 |
| Independent Reporting Accountant's Report on Regularity | 27 - 28 |
| Statement of Financial Activities Incorporating Income and Expenditure Account | 29 - 30 |
| Balance Sheet | 31 |
| Statement of Cash Flows | 32 |
| Notes to the Financial Statements | 33 - 60 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | A Bond G Chilcott P Dimech E Griffiths |
| Trustees | R Ward, Chair ¹ J Passmore, Chief Executive ^{1,2} G Clark ² A Hall ¹ R Hayday, Chair until 31 August 2020 ¹ D Powell ² P Vincent ² D Willis ² ¹ Finance Focussed Committee ² School Improvement Committee |
| Company registered number | 07557894 |
| Company name | Pickwick Academy Trust |
| Principal and Registered office | Corsham Primary School Pound Pill Corsham Wiltshire SN13 9YW |
| Accounting Officer | J Passmore |
| MAT Senior Management Team | J Passmore, Chief Executive Officer K Hillman, Finance Director E Preater, Business Director A Tapscott, Professional Development Director J Hawkins, Executive Headteacher G Cooke, Executive Headteacher |
| Senior Leadership Team | L Fry, Head of School J Essam, Head of School K Parker, Head of School H Lammin, Head of School R Clifton, Head of School J White, Head of School |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL |

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Bankers Lloyds Bank plc
29 High Street
Chippenham
Wiltshire
SN15 3HA

Solicitors Browne Jacobson
3 Piccadilly Place
Manchester
M1 3BN

**CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

Chair's statement for 2019-20

I must start my review of this academic year with praise for the tremendous work that all colleagues working in and alongside the Trust have delivered to ensure that our schools were able to respond safely and promptly to the global pandemic. There was no easy fix and an abundance of information amid the uncertainty of the situation which required consideration to ensure children and communities we serve to carry on with lives in as normal a way as possible. The determination of our staff to keep our business going and to deliver learning opportunities was fantastic and I know that this meant individuals having to balance their own personal challenges and anxieties with the demands of work. Our collaborative response to COVID has raised profile of the Trust and through strong support and leadership we have established a position to manage the continued impact of Coronavirus and learnt from the experience. We have strengthened our connection with communities and families through the pandemic and continue to 'involve parents in their children's learning'.

Our year hasn't all been about the pandemic and there have been many developments. We welcomed Ludwell Primary School to our organisation in November 2019 following its conversion. Our leadership has changed. James Passmore has been appointed as our substantive CEO. Joining him is our new Head of School, Deputy Headteacher and Chair of Governors at Queen's Crescent School, and new Deputy Heads at Ivy Lane and Corsham Primary School. We have reviewed roles and responsibilities of Executive Headteachers to ensure the leadership model provides support and challenge across our areas. Support is also provided by the Professional Development Director and Business Director roles that we have secured. Our Finance Manager and admin roles have also been secured and staff have been appointed into permanent positions giving us a strong business base to build on. We have managed the rebuilding of Ivy Lane Hall following an arson attack and had to use temporary classroom provision.

We have launched our new curriculum through Curious City in four founding schools which is now being embedded and we are developing the skills and knowledge of subject leaders to ensure that children are taught interesting subjects innovatively. Our CEO and Executive Head Teachers maintain a visible presence across schools and have completed reviews for every school now in place with reports feeding into School Improvement Committee where Trustees provide scrutiny and support for developments. Through our Finance and Premises Committee we have developed an internal bid process which released £50k additional funding to develop the learning environment, improve IT resources and increase leadership/governance provision.

Our governance – the organisational structures and processes by which all parts of our organisation operate – have been developed this year. With Local Governing Bodies of our five schools we have completed a comprehensive review of our governance model. We have now moved from Local Governing Bodies to Local Governance Committees and clarified all roles and responsibilities, updated schemes of delegation and associated documents that meet our obligations. Through this important work we have also reinstated LGC at Aloerick – the previous Local Governing Body had been disbanded. Our Trust Board has overseen the refresh of our Trust Development Plan which is used to drive improvement work and growth; and discussions with 3 schools in South Wiltshire continue about their association with the Trust.

Our robust financial management and monitoring continues and this has enabled a strong 3-year forecast. We have achieved a successful CIF application and a new £1 million building is currently being developed at Ivy Lane. All schools have had premises conditions surveys and 3 year costed improvement plans are in place. We expanded Corsham Primary's Broadwood Site from 7 to 9 classes, with a further class planned for September 2020 – another demonstration of how teams of people come together in our Trust to successfully manage change while delivering routine activities.

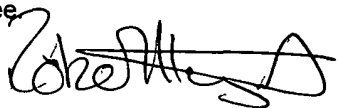
Our Trust Board remains active and we have held four additional extra-ordinary meetings this year to provide capacity to address priorities: Ludwell joining; Governance review; Curriculum launch; and the management of safe operations to address the Coronavirus challenge. Our risk register process has been reviewed and improved. We have also implemented a better policy review schedule with a consistent policy format and clarity provided to school leaders and governors around required policies and approvals.

In year we have reviewed our Health & Safety processes and reporting mechanisms and this has brought focus which has assisted with improvements to our operation. We have maintained our compliance with GDPR and through our Data Protection Officer have received assurance about the strong processes we have in place, the clear monitoring schedule and action plans for improvements in a few areas.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

2019-20 is my last year as Chair of the Trust and I am succeeded by Rob Ward, formerly Vice Chair. I remain a Trustee



Rob Hayday
Outgoing Chair of the Trust Board
(1 August 2017 – 31 August 2020)



Rob Ward
Chair of the Trust Board
(1 Sept 2020 – present)

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates five primary academies for pupils aged 4 to 11 in Corsham, Chippenham, Melksham and Ludwell based in Wiltshire. It has a combined pupil capacity of 2085 and had a roll of 1908 in the school census in October 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Academy Trust was incorporated on 1 August 2017 and has been in operation for two academic years. The 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 Pickwick Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Pickwick Academy Trust.

Details of the Trustees who served throughout the year, and to the date these accounts are approved are included in the Reference and Administration Details on page 1.

b. 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 £1000 for the debts and liabilities contracted before they cease to be a member.

c. TRUSTEES' INDEMNITIES

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 £10,000,000 on any one claim.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

On 1 August 2017 the Members appointed Trustees selecting from governors previously serving on each school's local governing board. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process. Subject to a skills and contributions audit, any Trustee can be re-elected or re-appointed.

When appointing new Trustees, the Board has given careful consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

The Academy Trust shall have the following Trustees as set out in its Articles of Association, funding agreement and scheme of delegation: 9 Trustees, one being the Chief Executive Officer.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

There are job descriptions written and agreed for a Trustee, Chair of the Board, Chief Executive Officer, Executive Head-teachers and Finance/Business Directors which ensures all persons who participate in Board meetings are aware of their roles and responsibilities. The Scheme of Delegation and Trust Constitution outlines the method for recruiting, inducting and training new Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet Executive Headteachers, Heads of School, staff and pupils. 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 through the online software system Governor Hub. Due to the infrequency of Trustee appointments, induction tends to be done informally and is tailored specifically to the individual.

Strategic training events are provided annually by regionally recognised governance trainers, as well as regular scheduled governance training at all levels, which keeps the Trustees updated on relevant developments impacting on their roles and responsibilities whilst also giving time to consider the future developments for the Trust.

f. ORGANISATIONAL STRUCTURE

As a minimum The Board of Trustees meets at least once each term. The Board has established an overall framework for the governance of the academies and determines membership and terms of reference for Governors. The Scheme of Delegation sets out clearly the organisational structure and roles/responsibilities of each layer of governance. Additionally, the Board has written a Code of Practice and a Local Governor Handbook which gives Local Governance Committees detailed information regarding working practices. The Academy Trust comprises five primary schools. Trustees receive reports and minutes from its Local Governance Committees and a detailed Headteacher Report which outlines important information appertaining to the performance of each Academy.

There are two committees as follows:

- Finance Focussed Committee – this meets 6 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It incorporates the role of an audit committee.
- School Improvement Committee – this meets 6 times a year to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The Board may from time to time establish additional Working Groups/Panels to perform specific tasks over a limited timescale. Last year a 'Schools in Challenging Circumstances' Committee was established to provide additional support and challenge to a school with particular needs which did not have local governance provision, but as the school in question has re-established its Local Governance Committee, the SiCC Committee no longer operates.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the CEO/Executive Headteacher/Headteacher/Head of School and Clerk to the Trustees, and to approve the Annual Trust Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academies by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

The Board of Trustees have devolved responsibility for day to day management of the Trust's Academies to the Trust's Executive team, the Local Governance Committees, and Executive Headteacher / Headteacher / Head of School / Senior Leadership Team (SLT). Each school's SLT comprises the Executive Headteacher/Headteacher/Head of School, Deputy Headteacher and or Assistant Head-teachers, and the Business Manager (if appropriate). The SLT implement the policies laid down by the Trustees and report back to them and the Executive Team on performance.

The CEO is the Accounting Officer of the Trust.

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider that the Board of Trustees and the executive leadership team comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

h. ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Consulting on key policy changes and seeking feedback
- Regular meetings with senior leaders
- Whole teaching team professional development training
- Executive team attend key cluster and development groups, as well as Local Governance Committees
- Have a staff representative on every Local Governance Committee
- Regular updates to all staff members, via email and website news, and face-to-face through conferences, including covering both financial and non-financial performance

i. TRADE UNION FACILITY TIME

At present there are no employees within any of the Trust's schools that undertake paid union activity.

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

Pickwick Academy Trust aims to achieve the best for, and from, each child. We intend to enable each child to realise their full academic, creative and physical potential and to develop positive social and moral values.

Our founding principles for the Trust are:

- We join as equal partners, and recognise the expertise & skills that each school brings to the MAT;
- We find common-sense solutions to the issues that we all face, while keeping what is best for the children at the heart of our decision-making processes;
- We work openly with each other and are 'outward-facing' in our approach, offering support to other schools in challenging circumstances;
- We all share the responsibility to ensure all pupils within the MAT realise their potential;
- We openly support each other in all aspects of school improvement – sharing expertise & best practice;
- We ensure that conditions of work for our staff are in the best interests of the school and well-being;
- We believe that each school should retain its unique identity and reflect the needs and aspirations of its local community;
- We are committed to expanding to enable other schools to share expertise and gain from ours;

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

- We encourage diversity of approach and recognise that Local Governing Boards need the freedom to manage in the best interest of their own school;
- Making efficiency savings to ensure investment remains in quality teaching and learning.

Our vision: To work together to provide the best schools and outcomes for our children

Our Strategy:

- **Harness our collective expertise** to drive school improvement and realise the best for all children and adults working and learning in our schools
- **Celebrate and communicate the successes** in our schools to encourage aspiration and innovation
- **Provide support and challenge** for each school so that every child meets their full potential

Our Mission:

- **Team:** We work together so that each school is supported and held to account for the attainment and progress of every child to enable them to meet their full potential and to ensure the highest quality teaching and leadership for our children.
- **Approach:** We provide robust support and challenge for each school on its individual journey of improvement, seeking common-sense solutions from within and outside our Trust.
- **Celebrate:** We celebrate the successes and unique characteristics of each school, encouraging aspiration and innovation for all, providing systems that support opportunities for those working and learning in our schools.
- **Together:** We share responsibility and harness our collective expertise to drive school improvement and achieve the best possible outcomes for all by sharing ideas and best practice to ensure all schools within our Trust are successful.
- **Future:** We are committed to sustainable growth, to provide the best outcomes for the communities we serve now and in the future by aligning central services and succession planning to ensure investment remains in quality teaching, learning and leadership.

Our values:

Our vision, strategy and mission is underpinned by our moral purpose to provide the best education and curriculum for the children we serve, and is based on the values of: aspiration; collaboration; inclusion; enjoyment and nurturing relationships, with the intention of empowering children to become life-long learners.

We provide a strong ethical framework that enables children to make thoughtful, positive choices, and we are committed to providing a high quality and educationally stimulating learning environment, led by exceptional and dedicated staff.

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trust Board has a detailed Strategic Business Plan which drives the focus of our work, and is available to view from the Trust offices. In addition, the Trust has developed a Trust Development Plan with clearly defined objectives and key performance indicators:

Trust Development 9 Key Improvement foci identified this year:

| Key Trust Development Objective | RAG Evaluation |
|---|----------------|
| 1. Improve outcomes and progress data across the Trust | |
| 2. Schools achieve positive Ofsted outcomes | |
| 3. Ensure there is a high-quality, enquiry-led curriculum offer in all schools | |
| 4. Provide high quality CPD, especially in leadership | |
| 5. Improve retention, appraisal, succession planning of staff | |
| 6. Embed governance arrangements to meet regulatory requirements, support oversight; are consistent and efficient | |
| 7. Grow the Trust to include two new schools | |
| 8. Deliver financial performance which supports the sustainability of the Trust | |
| 9. Ensure all school buildings are fit for purpose | |

COVID-19 had a significant impact on our ability to fully achieve the challenging objectives and KPIs set, but we are proud to have made great strides forward, especially considering the context of leading through a global pandemic.

c. PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Trust supports its academies to provide facilities for recreational and other leisure time occupation for the communities it serves in the interests of social welfare and with the interest of improving the life of the community.

Four of the five Trust schools remained open throughout the pandemic enabling vulnerable children and children of key workers to attend school. During Easter and half term holidays provision was made available for families to access holiday clubs to continue to offer support.

STRATEGIC REPORT

a. ACHIEVEMENTS AND PERFORMANCE

The Trust has completed its third full year of operation. It has grown in pupil numbers and classes, a significant expansion has been completed at one of its academies, and it has continued to develop its school improvement offer and services. A fifth school (Ludwell Primary School) joined the Trust in November 2019. The Trust has audited activity and provision across its academies and has identified key successes and areas for further development.

Academic KPI's were set at the start of the academic year and have been regularly monitored and reviewed by the Board. Due to COVID-19 there were no national SATs tests which has meant we have not been able to evaluate our progress against our performance KPIs.

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

STRATEGIC REPORT (CONTINUED)

(CONTINUED)

The Trust has had a busy, successful year and has undertaken key development work with all its schools. Work has been undertaken to improve the quality of the premises across the Trust, Corsham Primary School (Broadwood Site) has started to fill its expansion of six classrooms, and pupil numbers have risen in each school. A fire started by arsonists at Ivy Lane School which caused significant damage and challenges has been resolved with the Hall now available to be used. We have been successful in applying for a CIF bid (on second application) to address the aging Pratten Hut provision at Ivy Lane and work will be completed in 2020-21.

The deficit budget situation at Aloeric continues to be addressed successfully, alongside significant premises improvement work. Local governance at Aloeric, which was provided by a Trust Committee, is now back in place and recruitment is underway to fill vacancies. Premises surveys have been carried out at every school and 3 year costed improvement plans are in place. IT across the Trust has been audited and is a priority for development next year.

The Teaching School – update

The Teaching School has grown and continued to engage with our members this year; 77 schools, including 5 Multi Academy Trusts, and across 5 local authorities. We have an embedded professional development package, and continue to deliver high quality teacher training with exceptional results. The School Improvement Groups (SIGs) have evolved and continue to grow from strength to strength, with increased participation outside our original TSA and have significantly increased engagement levels with our members, enabling us to have even greater impact with the schools we work with.

| | |
|---------------------|--|
| School Direct ITT | 100% rate of trainees from last cohort 2018-19 (one on supply contracts due to personal circumstances); NQT follow-up questionnaire reports show that all those in long term contracts have also passed their NQT induction. |
| | Recruited and trained 12 trainee teachers in 2019-20; all met compliance standards, despite COVID lockdown, which demonstrates the robust nature of our programme. 75% employment rate of this cohort (lower than last year due to personal circumstances with one and COVID making recruitment slower in the limited geographical areas in which the other two trainee teachers are seeking work. External moderation of the programme confirmed that standards remain high. |
| | Took part in pilot Ofsted inspection (Dec 2019) which reflected very positively on the provision. Noted that primary partnership with SCITT was strong. |
| | Continued the School Direct ITT programme, despite trainees no longer able to be in school for their final placement, with a remote and blended approach which developed subject and pedagogical knowledge. |
| | Continuing to develop and enhance ITT provision in order to meet new ITT core content requirements and in line with new Ofsted ITT framework. i.e. re-written assessment guidance and improved curriculum offer. Also developing mentor professional development offer. |
| Financial stability | Activities provided by Pickwick Learning generated a positive surplus which will be reinvested into supporting professional development. In light of the restructuring of Teaching School Provision across the country and in order to maintain and sustain the work of the Pickwick Learning and retain the expertise within the organisation, we have now aligned the work so that the director is fully part of the central team moving forward, taking on the role of Professional development Director. |

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

STRATEGIC REPORT (CONTINUED)

(CONTINUED)

| | |
|---|--|
| CPD provision | <p>CPD provision well-placed to meet the needs of our schools, both within and outside of our Trust. Our reach continues to stretch widely: NPQ provision, in partnership with other TSs across Weston-Super-Mare, Portishead, Somerset, Bristol and S. Glos and attracting participants from Swindon, Oxfordshire and N. Dorset. In addition to our own Targeted leadership programmes in Bristol and Wiltshire we were also approached to run a programme in S. Glos for their local authority.</p> <p>Professional development opportunities were carefully tailored to reflect the needs of our community. e.g. Role of leaders in the new Ofsted Inspection framework, visit to Three Bridges school, and also the strange situation we found ourselves in with COVID lockdown. We immediately produced a virtual CPD offer early in lockdown to support teachers to continue their professional development without putting additional pressure on leaders. This evolved so that CPD was either run on Zoom or recorded, for an asynchronous offer, so that programmes, such as TLP and the NQT programme, could be completed.</p> <p>The CPD offer continued to be available across both our N.Wilts and S.Wilts hubs, strengthened by our School Improvement Groups. Our conferences this year, both in Salisbury and in N.Wilts, were shaped by our members, reflecting their needs, and were well attended and evaluations were very positive.</p> |
| School to school Support and School Improvement | <p>SIGS - The majority of our schools have chosen to join one of our School Improvement Groups, and although attendance this year has been challenging in places, leaders in schools continue to see the benefit of these and the groups help us remain engaged with schools, no matter the barriers of geography or time. In fact, the model's success has been recognised by other Trusts; DBAT joined all three groups and EQUA MAT joined SIG B as a way for their schools to learn from others and demonstrate an outward facing approach. This increased engagement allowed us to continue to run our Bristol SIG (and by extension, its TLP offer) for another year, despite its smaller size, due to the financial contribution.</p> |
| (School Improvement Groups – SIGS) | <p>Specialist Leader of Education (SLE) round run for EQUA MAT bringing in income for Pickwick and growing our pool of SLEs, enabling us to support a school in Swindon (St L's) with Maths.</p> <p>Last year we accessed £104k of DfE Emergency Funding to support an Ofsted inadequate rated school to support its school improvement journey and to support it to federate with another school. In the second year of this improvement project, we have completed work, sustaining and building a strong partnership with and between the Diocese, LA and school leaders and achieved desired outcomes for that school in line with project bid and within budget.</p> |
| | <p>SEND reviews continued to be in demand in schools across the region, by request from individual schools and as part of larger improvement packages – also run these within our own Trust schools pre-COVID. Increasing the capacity of our SENCOs to be able to deliver these reviews, training each other up to lead and support.</p> |
| | <p>Large scale support for Steiner School – approached by a MAT to support this work as part of their DfE school improvement funding. JW was able to lead this work, bringing in some income for Ludwell.</p> |

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

STRATEGIC REPORT (CONTINUED)

(CONTINUED)

b. FINANCIAL KEY PERFORMANCE INDICATORS

The main financial performance indicator is the level of reserves held at the Balance Sheet date. The forecast for this shows an improving position over the next three years. As funding is based on pupil numbers this is also a key indicator of Trust financial success. Pupil numbers across the Trust have risen, with Queen's Crescent School now nearly full, and quicker than planned expansion at Corsham Primary's Broadwood Site supporting our financial position.

Financial KPIs

During the year the Board set the following KPIs to work towards achieving by August 2020. KPIs were set as follows:

1. Staffing costs to be 75% or less of total costs.
2. A minimum of £85 per pupil is spent on building maintenance.
3. A minimum of 2% of total costs is spent on technology (IT).
4. Each academy to work towards reaching 5% reserve plus a contribution of 2% to central reserve based on the total income.

The table below shows the KPIs which were set and the position for each school at 31 August 2020.

| KPI | Aloeric | CPS | Ivy Lane | Ludwell | QC | PAT |
|---|---------|------|----------|---------|------|------|
| Staffing Costs as % total costs | 72.1 | 73.5 | 73.1 | 71.5 | 76.6 | 73.7 |
| Spend per pupil on Building Maintenance | 101 | 79 | 65 | 46 | 67 | 77 |
| IT spend as % of total cost | 3.7 | 1.9 | 1.8 | 1.5 | 1.6 | 2.2 |
| Reserves as a % of total income | -6.8 | 11.3 | 7.5 | 0.8 | 3.1 | 4.7 |

In order to have a like for like comparison across schools staffing costs exclude breakfast club, premises, cleaning and catering staff. The Trust has moved to one catering, cleaning and grounds maintenance contract.

c. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2020, the Academy received total income (excluding fixed asset funds) of £8,425,414 and incurred total expenditure (excluding fixed asset funds) of £8,592,696. The excess of expenditure over income for the year was £167,282.

At 31 August 2018 the net book value of fixed assets was £16,604,916 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Ludwell Primary School joined the trust on the 1st November 2019. The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were valued at £835,344.

The balance of the former school's budget share (£23,328) was transferred across on conversion and is shown as Unrestricted Funds.

The Academy took on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending.

a. RESERVES POLICY

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £450k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, to provide a cushion to deal with unexpected emergencies such as urgent maintenance demands and other unforeseen circumstances.

Total free reserves of the academy amount to £504k which is greater than the sum required.

The Trustees are undertaking a further review of its Reserve Policy which is expected to be completed in early 2021. Any free reserves above this level will then be released following due consideration against Trust wide priorities. If the review concludes a higher level of free reserves is required then plans will be developed to achieve this through in year budget management and financial planning.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

b. INVESTMENT POLICY

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

COVID - COVID has posed and continues to pose a significant risk to all educational establishments across the country, and we have had to respond to the pandemic like everyone else. As a Trust that has established systems in place to communicate between schools and out to our communities and families, we were in a good place to react to the challenges and instil confidence.

We rapidly developed a Trust strategy, with each school provided the flexibility to work within this strategy to develop an approach that worked for them, considering their unique logistics and challenges. Our key priority was to ensure each school had a robust risk assessment and risk mitigation measures in place, and that all staff, children and parents knew how to use them. We communicated the messages clearly, and responded quickly and consistently to regularly changing government guidance.

An initial risk was that of reputational damage to the Trust, as we took a leading role in how all our schools would respond to the pandemic, and had to make some tough decisions to ensure the early lockdown was effective in reducing the risk of transmission. Our exceptional leaders and staff have reassured parents and we enjoyed strong attendance of children and staff, and high levels of confidence from our families.

Additional cleaning routines and covering for absent staff is becoming a much higher financial risk to our Trust in the Autumn term compared to the Summer term, but we are trying hard to mitigate against this by reducing costs in other areas, continuing to monitor spending robustly, and covering internally where-ever possible. There will be increased pressure on our financial position due to Covid if things do not settle down in the Spring term. We have worked hard to create a stable financial position and increasingly positive 3 year forecast which is helping at this difficult time.

Having experienced zero positive cases in the summer term, in the Autumn we have had 7 positive Covid cases with adults and 13 with children. This has caused significant anxiety amongst the staff, and has led to a spike in supply cover costs. Wiltshire as a county has seen over 5000 positive cases since September with a huge spike over the half term break. There is a significant risk that the Christmas holiday reduction in restrictions will lead to a further significant spike in cases in January and February which will put further pressure on staffing our schools. We are working on a plan to create capacity from our non-class-based staff and are exploring creative ways of keeping our schools open without incurring a significant financial burden.

We have been working diligently to improve attainment and progress outcomes across our Trust in line with our vision 'to provide the best schools and outcomes for our children'. The national lockdown in the summer, lengthy absences for children and staff, and challenges we are facing regarding supporting and monitoring the quality of teaching and learning due to the need to socially distance is delaying progress. Senior leaders are spending a huge amount of their time dealing with Covid communication, risk assessments, staff anxiety and school management and logistics – there is a risk that this additional pressure will also delay our school improvement outcomes. To mitigate against these challenges, we continue to deliver strong CPD and support using virtual meetings, and are helping subject leaders in the development of their curriculum areas. We are also continuing to connect with parents and carers virtually to help them to support their children's learning through blended and

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

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

remote approaches.

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 98% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. To support us further we have sought support from a SRMA advisor and have undertaken an internally commissioned audit and review of our practice to support our next stage of development.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil's success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline across Trust schools.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has benefited from strengthening its risk management process last year and has further improved the process, raising its profile across all levels of governance in the Trust. A risk register is maintained, reviewed and updated on a regular basis and is a standing item on Finance and School Improvement Focused Committee meetings agendas.

FUNDRAISING

The Trust and its Trustees do not undertake any fundraising activities. However, each academy within the Trust engages in fundraising activities through their Parent Teacher Associations.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels across its academies. Each academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Each Trust academy will continue to work with partner schools to improve the educational opportunities for pupils in the wider community.

The Trust is committed to a growth programme with its strategic ambition of expanding to 12 schools and / or 3500 pupils over a five-year period (2017-2022). Discussions have taken place with various schools over the course of the year which has led Trustees to feel confident that growth targets will be achieved over the coming years. Due to our success in working with other schools, Pickwick Academy Trust has is having evolved conversations with three schools about joining and setting up a three-school hub of the Trust.

Following a successful CIF bid application, Ivy Lane Primary School will see the development of a £1 million new building for its EYFS and KS1 children.

We are working with a Teaching School Hub applicant and aim to partner with them to support the strategic leadership of teacher and leader development programmes across Wiltshire and Swindon if successful.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

AUDITORS

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

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



R Ward
Chair of Trustees

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive 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 Pickwick Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Pickwick Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 11 times during the year.

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

| Trustee | Meetings attended | Out of a possible |
|-----------------------------|-------------------|-------------------|
| R Ward | 10 | 11 |
| J Passmore, Chief Executive | 11 | 11 |
| G Clark | 9 | 11 |
| A Hall | 11 | 11 |
| R Hayday | 10 | 11 |
| D Powell | 8 | 11 |
| P Vincent | 9 | 11 |
| D Willis | 10 | 11 |

Pickwick Academy Trust is a designated by the DfE as an Academy sponsor and it is the Board's ambition to grow the Trust to an organisation of twelve schools over the next three years. Following discussions an appropriate governance structure has been put into place in readiness for the growth, this includes the involvement of Local Governing Bodies and a possible Hub model where schools in different areas can work together; the Teaching School will continue to act as an enabler ensuring school improvement can be delivered effectively. The Trustees have overall responsibility and ultimate decision making authority for all the work of the academies, Teaching School and Trust.

The day to day management and responsibility for the running of the Trust and Teaching School has been delegated to the Chief Executive Officer (CEO), who is supported by a Finance Director, Business Director and the Director of the Teaching School. Two Executive Headteachers have led on school improvement and are directly accountable to the CEO. The CEO has held weekly Executive Team meetings with senior staff to ensure communication lines are strengthened across the Trust.

The Board is further supported by Local Governance Committees made up of governors who are appointed at local level. The Local Governance Committees focus on the day to day life of the school and are there to ensure the staff working in each academy are supported and challenged when necessary, and the needs of the pupils

GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

are met ensuring every pupil receives the best possible education. The Local Governance Committees represent the community and are responsible for engagement with parents and the wider community. Whilst the Trustees have overall responsibility and ultimate decision-making authority for all the work of the schools, and the standards achieved by the pupils, Local Governance Committees ensure the vision of the Trust is realised.

The Trustees fulfil their responsibilities through strategic planning and by the setting of policies and standards as well as taking responsibility for the oversight and management of risk. The Trustees have the power to direct change where required. The Trustees act independently and in the best interests of the Trust; they are accountable to the Regional Schools Commissioner's Office, the Secretary of State for Education and to the communities that they serve. Irrespective of a person's role or method of appointment Trustees are responsible individually and collectively for the academies and use their skills and experience in undertaking a role on the Board.

FINANCE COMMITTEE

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the finance, risk, health & safety, premises areas of trust business. It also operates as the Audit Committee. The Finance Committee of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Finance Committee was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------|-------------------|-------------------|
| J Passmore | 6 | 6 |
| A Hall | 5 | 6 |
| R Hayday | 5 | 6 |
| R Ward | 4 | 6 |

SCHOOL IMPROVEMENT COMMITTEE

The School Improvement Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the school improvement, safeguarding and staffing areas of trust business.

The School Improvement Committee of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Finance Committee was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------|-------------------|-------------------|
| J Passmore | 5 | 5 |
| G Clark | 5 | 5 |
| P Vincent | 2 | 5 |
| D Powell | 3 | 5 |
| D Willis | 1 | 5 |

Governance Review

During this third year of operation the Board has been constantly reviewing governance arrangements, this has resulted in:

1. A full review of financial management across Trust academies.
2. A review of our governance arrangements leading to the evolution from Local Governing Bodies to Local Governance Committees, and updates to all governance paperwork to clarify roles and responsibilities
Fundamental organisational changes have been implemented which has enabled the Trust to deliver key areas of work more effectively.

A detailed skills audit was carried out to identify priorities around recruitment for the next academic year: HR and Project Management. Last year, the Board approved the Trust to convert to a 'mixed MAT' status if and when a church school wanted to join, and a place on the Trust Board and at Member level has strategically been retained to enable expertise around Diocesan schools and SIAMs for this reason. In addition, our Strategic Growth plans include growing a South Wiltshire hub of the Trust.

GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

Review of value for money

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

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

- Challenge – Is the school performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare – How does the school's pupil performance and financial performance compare with all schools? How does it compare with similar schools?
- Consult – How does the school seek the views of stakeholders about the services the school provides?
- Compete – How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Trustees/Governors' Approach

The Trustees/Governors and school managers will apply the principles of best value when making decisions about:

- The allocations of resources to best promote the aims and value of the school.
- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to best support the various educational needs of all pupils.

Trustees/Governors and the school managers will:

- Make comparisons with other/similar schools using data provided by the LA and the Government e.g. benchmarking tools, quality of teaching & learning, levels of expenditure.
- Challenge proposals, examining them for effectiveness, efficiency, and cost e.g. setting of annual pupil achievement targets.
- Require suppliers to compete on grounds of cost, and quality/suitability/sustainability of services/products/backup.
- Consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers e.g. Sex and Relationships Education, Pupil Reports, OFSTED, Finance Support. Make comparisons with other/similar schools using data provided by the LA and the Government e.g. benchmarking tools, quality of teaching & learning, levels of expenditure.

This will apply in particular to:

- Staffing
- Use of resources
- Quality of teaching
- Quality of learning
- Purchasing
- Pupils' welfare
- Health and safety
- Facilities Management

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (CONTINUED)

Trustees/Governors and school managers:

- Will not waste time and resources on investigating minor areas where few improvements can be achieved.
- Will not waste time and resources to make minor savings in costs.
- Will not waste time and resources by seeking tenders for minor supplies and services.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important valuable areas.

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 the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pickwick Academy Trust for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. 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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

Bishop Fleming's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a bi-annual basis the Board of Trustees receives an Internal Assurance report on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (CONTINUED)

The internal assurance function has been fully delivered in line with the ESFA's requirements. No material control issues arising as a result of the work have been identified.

Review of effectiveness

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

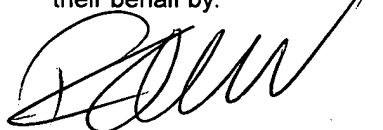
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- The work of the external auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who 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 Board of Trustees 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
their behalf by:

18/12/20

and signed on



R Ward
Chair of Trustees



J Passmore
Accounting Officer

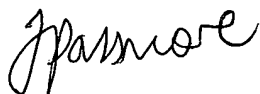
**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



J Passmore

Accounting Officer

Date: 18/12/20

**PICKWICK ACADEMY TRUST
(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:

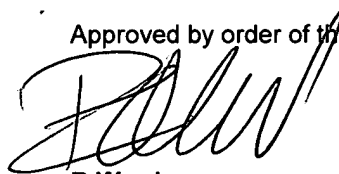
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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:



R Ward

Chair of Trustees

Date: 18/12/20

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Opinion

We have audited the financial statements of Pickwick Academy Trust (the 'academy trust') 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 Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our 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 Trust 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.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Responsibilities of trustees

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

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

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



David Butler FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 22/12/20

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 17 January 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 Pickwick Academy Trust 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 Pickwick Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pickwick Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pickwick Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Pickwick Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Conclusion

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

Bishop Fleming LLP

David Butler FCA DChA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: *22/12/20*

PICKWICK ACADEMY TRUST
(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 | 29,301 | 2,993 | 4,581,247 | 4,613,541 | 299,184 |
| Charitable activities: | 4,5 | | | | | |
| Education | | 97,781 | 8,079,832 | - | 8,177,613 | 7,568,813 |
| Teaching schools | | 115,880 | 23,333 | - | 139,213 | 297,095 |
| Other trading activities | 6 | 75,172 | - | - | 75,172 | 77,114 |
| Investments | 7 | 1,122 | - | - | 1,122 | 1,157 |
| TOTAL INCOME | | 319,256 | 8,106,158 | 4,581,247 | 13,006,661 | 8,243,363 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities: | 8 | | | | | |
| Other charitable activities | | 84,218 | 8,319,530 | 411,842 | 8,815,590 | 8,200,386 |
| Teaching schools | | 51,937 | 137,011 | - | 188,948 | 275,507 |
| TOTAL EXPENDITURE | | 136,155 | 8,456,541 | 411,842 | 9,004,538 | 8,475,893 |
| NET INCOME / (EXPENDITURE) | | 183,101 | (350,383) | 4,169,405 | 4,002,123 | (232,530) |
| Transfers between funds | 19 | - | (122,434) | 122,434 | - | - |
| NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES) | | 183,101 | (472,817) | 4,291,839 | 4,002,123 | (232,530) |
| OTHER RECOGNISED GAINS/(LOSSES): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 26 | - | 62,000 | - | 62,000 | (992,000) |
| NET MOVEMENT IN FUNDS | | 183,101 | (410,817) | 4,291,839 | 4,064,123 | (1,224,530) |

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | 321,248 | (2,151,232) | 13,587,407 | 11,757,423 | 12,981,953 |
| Net movement in funds | 183,101 | (410,817) | 4,291,839 | 4,064,123 | (1,224,530) |
| TOTAL FUNDS CARRIED FORWARD | 504,349 | (2,562,049) | 17,879,246 | 15,821,546 | 11,757,423 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 33 to 60 form part of these financial statements.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07557894

BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|--|------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 15 | 16,604,916 | 13,559,611 |
| | | <u>16,604,916</u> | <u>13,559,611</u> |
| CURRENT ASSETS | | | |
| Stocks | 16 | 5,070 | - |
| Debtors | 17 | 1,599,874 | 314,735 |
| Cash at bank and in hand | | 1,151,879 | 1,039,079 |
| | | <u>2,756,823</u> | <u>1,353,814</u> |
| Creditors: amounts falling due within one year | 18 | (748,193) | (717,002) |
| NET CURRENT ASSETS | | <u>2,008,630</u> | <u>636,812</u> |
| NET ASSETS EXCLUDING PENSION LIABILITY | | <u>18,613,546</u> | <u>14,196,423</u> |
| Defined benefit pension scheme liability | 26 | (2,792,000) | (2,439,000) |
| TOTAL NET ASSETS | | <u><u>15,821,546</u></u> | <u><u>11,757,423</u></u> |
| FUNDS OF THE ACADEMY TRUST | | | |
| Restricted funds: | | | |
| Fixed asset funds | 19 | 17,879,246 | 13,587,407 |
| Restricted income funds | 19 | 229,951 | 287,768 |
| | | <u>18,109,197</u> | <u>13,875,175</u> |
| Restricted funds excluding pension asset | 19 | 18,109,197 | 13,875,175 |
| Pension reserve | 19 | (2,792,000) | (2,439,000) |
| Total restricted funds | 19 | <u>15,317,197</u> | <u>11,436,175</u> |
| Unrestricted income funds | 19 | 504,349 | 321,248 |
| TOTAL FUNDS | | <u><u>15,821,546</u></u> | <u><u>11,757,423</u></u> |

The financial statements on pages 29 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

R Ward
Chair of Trustees

Date:

18/12/20

The notes on pages 33 to 60 form part of these financial statements.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|---|-------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash provided by operating activities | 21 | 233,846 | 282,565 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 22 | (121,046) | (29,948) |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | 112,800 | 252,617 |
| Cash and cash equivalents at the beginning of the year | | 1,039,079 | 786,462 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 23, 24 | 1,151,879 | 1,039,079 |

The notes on pages 33 to 60 form part of these financial statements

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Pickwick Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

1.3 INCOME

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

• **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 Trust has provided the goods or services.

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

• **Transfer on conversion**

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

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

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

1.4 EXPENDITURE

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

1. ACCOUNTING POLICIES (continued)

1.7 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.8 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 a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

| | |
|-------------------------------|--------------------------------|
| Long term leasehold land | - Straight line over 125 years |
| Long term leasehold buildings | - Straight line over 50 years |
| Furniture and equipment | - 10% Straight line |
| Computer equipment | - 20% Straight line |

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

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

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

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

1. ACCOUNTING POLICIES (continued)

1.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.12 LIABILITIES

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

1.13 OPERATING LEASES

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

1.14 PENSIONS

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

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

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

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

**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 Trust at the discretion of the Trustees.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The Academy Trust 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Educational visits | - | 46,226 | - | 46,226 | 84,239 |
| Capital Grants | - | - | 1,319,396 | 1,319,396 | 191,136 |
| Other donations | 5,973 | 13,767 | 9,271 | 29,011 | 23,809 |
| Donated asset | - | - | 2,417,236 | 2,417,236 | - |
| Upon conversion to the Academy Trust | 23,328 | (57,000) | 835,344 | 801,672 | - |
| | <u>29,301</u> | <u>2,993</u> | <u>4,581,247</u> | <u>4,613,541</u> | <u>299,184</u> |
| TOTAL 2019 | <u>11,976</u> | <u>96,072</u> | <u>191,136</u> | <u>299,184</u> | |

On 1 November 2019, Ludwell Community Primary School joined Pickwick Academy Trust, bringing in total funds to the Trust of £837,672. This is further examined in note 25.

Also included within 'Upon conversion to the Academy Trust' within restricted income is a £57,000 cost, representing the pension adjustment in respect of Ludwell joining the Academy Trust.

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from charitable activities - Education | 97,781 | 8,079,832 | 8,177,613 | 7,568,813 |
| Income from charitable activities - Teaching school | 115,880 | 23,333 | 139,213 | 297,095 |
| | <u>213,661</u> | <u>8,103,165</u> | <u>8,316,826</u> | <u>7,865,908</u> |
| TOTAL 2019 | <u>141,975</u> | <u>7,723,933</u> | <u>7,865,908</u> | |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 6,547,590 | 6,547,590 | 6,097,706 |
| Other DfE/ESFA grants | - | 1,172,816 | 1,172,816 | 832,548 |
| | - | 7,720,406 | 7,720,406 | 6,930,254 |
| Other Government grants | | | | |
| High Needs | - | 260,222 | 260,222 | 287,933 |
| Other government grants | - | 99,204 | 99,204 | 208,651 |
| | - | 359,426 | 359,426 | 496,584 |
| Other funding | | | | |
| Internal catering income | 64,101 | - | 64,101 | 90,455 |
| Other income | 33,680 | - | 33,680 | 51,520 |
| | 97,781 | 8,079,832 | 8,177,613 | 7,568,813 |
| TOTAL 2019 | 141,975 | 7,426,838 | 7,568,813 | |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

6. INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|----------------|------------------------------------|-----------------------------|-----------------------------|
| Lettings | 47,610 | 47,610 | 53,849 |
| Consultancy | 80 | 80 | 240 |
| Breakfast club | 27,482 | 27,482 | 23,025 |
| | <u>75,172</u> | <u>75,172</u> | <u>77,114</u> |
| TOTAL 2019 | <u>77,114</u> | <u>77,114</u> | |

7. INVESTMENT INCOME

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank Interest | 1,122 | 1,122 | 1,157 |
| | <u>1,157</u> | <u>1,157</u> | |
| TOTAL 2019 | <u>1,157</u> | <u>1,157</u> | |

8. EXPENDITURE

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ | Total 2019 £ |
|-----------------------------|--------------------------|-----------------------|--------------------|-------------------------|--------------------|
| Educational - Direct costs | 5,530,972 | 342,648 | 437,783 | 6,311,403 | 5,785,493 |
| Educational - Support costs | 1,207,595 | 581,863 | 714,729 | 2,504,187 | 2,414,893 |
| Teaching school | 94,183 | 4,468 | 90,297 | 188,948 | 275,507 |
| | <u>6,832,750</u> | <u>928,979</u> | <u>1,242,809</u> | <u>9,004,538</u> | <u>8,475,893</u> |
| TOTAL 2019 | <u>6,360,294</u> | <u>809,047</u> | <u>1,306,552</u> | <u>8,475,893</u> | |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Education | 6,311,403 | 2,504,187 | 8,815,590 | 8,200,386 |
| TOTAL 2019 | 5,785,493 | 2,414,893 | 8,200,386 | |

Analysis of direct costs

| | Total funds 2020 £ | Total funds 2019 £ |
|-----------------------|-----------------------------|-----------------------------|
| Pension finance costs | 23,000 | 19,000 |
| Staff costs | 5,446,273 | 4,992,177 |
| Depreciation | 342,648 | 274,558 |
| Educational supplies | 218,947 | 168,599 |
| Examination fees | 5,163 | 6,653 |
| Staff development | 34,274 | 26,722 |
| Other costs | 149,553 | 189,721 |
| Supply teachers | 22,804 | 35,185 |
| Technology costs | 68,741 | 72,878 |
| | 6,311,403 | 5,785,493 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

| | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------------------|-----------------------------|-----------------------------|
| Pension finance costs | 28,000 | 17,000 |
| Staff costs | 1,256,370 | 1,223,203 |
| Depreciation | 69,194 | 63,000 |
| Other costs | 2,194 | 2,861 |
| Recruitment and support | 7,566 | 10,697 |
| Maintenance of premises and equipment | 144,720 | 123,607 |
| Cleaning | 165,661 | 131,994 |
| Rent and rates | 87,752 | 80,357 |
| Energy costs | 81,844 | 75,881 |
| Insurance | 35,983 | 38,049 |
| Security and transport | 11,603 | 12,970 |
| Catering | 285,645 | 328,023 |
| Technology costs | 76,946 | 64,840 |
| Office overheads | 106,946 | 79,858 |
| Legal and professional | 104,182 | 124,031 |
| Bank interest and charges | 292 | 398 |
| Governance costs | 39,289 | 38,124 |
| | 2,504,187 | 2,414,893 |

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

| | 2020 £ | 2019 £ |
|---------------------------------------|-----------|-----------|
| Operating lease rentals | 18,946 | 18,946 |
| Depreciation of tangible fixed assets | 411,842 | 337,558 |
| Fees paid to auditors for: | | |
| - audit | 15,000 | 12,750 |
| - other services | 11,495 | 13,310 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

| | 2020 £ | 2019 £ |
|---------------------------|------------------|------------------|
| Wages and salaries | 4,911,062 | 4,743,584 |
| Social security costs | 411,219 | 403,581 |
| Pension costs | 1,474,545 | 1,094,647 |
| | <u>6,796,826</u> | <u>6,241,812</u> |
| Agency staff costs | 35,924 | 35,185 |
| Staff restructuring costs | - | 83,297 |
| | <u>6,832,750</u> | <u>6,360,294</u> |

Staff restructuring costs comprise:

| | 2020 £ | 2019 £ |
|---------------------|-----------|---------------|
| Redundancy payments | - | 76,129 |
| Severance payments | - | 7,168 |
| | <u>-</u> | <u>83,297</u> |

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £nil (2019: £7,168 paid to one individual).

c. STAFF NUMBERS

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

| | 2020 No. | 2019 No. |
|----------------------------|-------------|-------------|
| Teachers | 93 | 92 |
| Administration and Support | 179 | 152 |
| Management | 15 | 19 |
| | <u>287</u> | <u>263</u> |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

| | 2020 No. | 2019 No. |
|----------------------------|-------------|-------------|
| Teachers | 74 | 74 |
| Administration and Support | 77 | 73 |
| Management | 14 | 15 |
| | <u>165</u> | <u>162</u> |

d. HIGHER PAID STAFF

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

| | 2020 No. | 2019 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 3 | 2 |
| In the band £70,001 - £80,000 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £859,748 (2019: £597,226).

As Staff Trustees are not remunerated in respect of their role as a Trustee, where Staff Trustees do not form part of the Senior Leadership Team other than in their role as Trustee, their remuneration as set out in note 13 has not been included in the total benefits received by key management personnel above.

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

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Strategic governance services
- School improvement
- Financial planning and management
- HR and payroll
- Financial and administrative systems
- Legal services
- Audit and internal assurance

The Academy Trust charges for these services on the following basis:

Fixed contributions were charged to each school.

The actual amounts charged during the year were as follows:

| | 2020 £ | 2019 £ |
|----------------------------------|----------------|----------------|
| Corsham Primary School | 104,639 | 104,767 |
| Aloeric Primary School | 66,326 | 70,068 |
| Ivy Lane Primary School | 65,542 | 67,737 |
| Queen's Crescent School | 61,595 | 63,247 |
| Ludwell Community Primary School | 10,000 | - |
| TOTAL | 308,102 | 305,819 |

13. TRUSTEES' REMUNERATION AND EXPENSES

The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of trustee's remuneration and other benefits was as follows: J Passmore: Remuneration £65,000 - £70,000, (2019: £Nil), Employer's Pension Contributions £15,000 - £20,000 (2019: £Nil) and F Allen: Remuneration £Nil (2019: £60,000 - £65,000), Employer's Pension Contributions £Nil (2019 - £Nil)

During the year ended 31 August 2020, expenses totalling £225 were reimbursed or paid directly to 1 Trustee (2019 - £176 to 1 Trustee). The expenses related to travel.

14. TRUSTEES' AND OFFICERS' INSURANCE

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

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

15. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------------|---|------------------------------------|----------------------------|------------|
| COST OR VALUATION | | | | |
| At 1 September 2019 | 14,354,539 | 393,968 | 414,980 | 15,163,487 |
| Additions | 80,527 | 53,999 | 70,041 | 204,567 |
| Transfers intra group | 2,417,236 | - | - | 2,417,236 |
| On acquisition of subsidiaries | 835,344 | - | - | 835,344 |
| At 31 August 2020 | 17,687,646 | 447,967 | 485,021 | 18,620,634 |
| DEPRECIATION | | | | |
| At 1 September 2019 | 1,148,176 | 139,885 | 315,815 | 1,603,876 |
| Charge for the year | 320,815 | 42,609 | 48,418 | 411,842 |
| At 31 August 2020 | 1,468,991 | 182,494 | 364,233 | 2,015,718 |
| NET BOOK VALUE | | | | |
| At 31 August 2020 | 16,218,655 | 265,473 | 120,788 | 16,604,916 |
| At 31 August 2019 | 13,206,363 | 254,083 | 99,165 | 13,559,611 |

16. STOCKS

| | 2020 £ | 2019 £ |
|----------------|-----------|-----------|
| Finished goods | 5,070 | - |

17. DEBTORS

| | 2020 £ | 2019 £ |
|--------------------------------|-----------|-----------|
| DUE WITHIN ONE YEAR | | |
| Trade debtors | 5,620 | 14,491 |
| VAT Recoverable | 33,161 | 37,568 |
| Prepayments and accrued income | 1,561,093 | 262,676 |
| | 1,599,874 | 314,735 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Trade creditors | 269,636 | 225,289 |
| Other taxation and social security | 98,147 | 92,039 |
| Accruals and deferred income | 380,410 | 399,674 |
| | <u>748,193</u> | <u>717,002</u> |
| | 2020 £ | 2019 £ |
| Deferred income at 1 September 2019 | 256,948 | 205,291 |
| Resources deferred during the year | 236,573 | 256,948 |
| Amounts released from previous periods | (256,948) | (205,291) |
| | <u>236,573</u> | <u>256,948</u> |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|--|--|--------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 321,248 | 319,256 | (136,155) | - | - | 504,349 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant (GAG) | - | 6,547,590 | (6,425,156) | (122,434) | - | - |
| PE and Sports Grant | 34,341 | 93,040 | (85,307) | - | - | 42,074 |
| Pupil Premium | 19,946 | 423,857 | (340,839) | - | - | 102,964 |
| UIFSM | - | 281,402 | (281,402) | - | - | - |
| Teaching Schools | 113,678 | 23,333 | (137,011) | - | - | - |
| Other ESFA | 90,660 | 374,517 | (391,834) | - | - | 73,343 |
| High Needs | - | 260,222 | (260,222) | - | - | - |
| Setup Grants | 25,000 | - | (22,913) | - | - | 2,087 |
| Other restricted funds | 4,143 | 159,197 | (153,857) | - | - | 9,483 |
| Pension reserve | (2,439,000) | (57,000) | (358,000) | - | 62,000 | (2,792,000) |
| | <u>(2,151,232)</u> | <u>8,106,158</u> | <u>(8,456,541)</u> | <u>(122,434)</u> | <u>62,000</u> | <u>(2,562,049)</u> |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Assets transferred on conversion | 11,734,760 | 835,344 | (299,137) | - | - | 12,270,967 |
| Fixed assets purchased from GAG and other restricted funds | 1,467,196 | 9,271 | (87,166) | 122,434 | - | 1,511,735 |
| DfE/ESFA Capital grants | 385,451 | 1,319,396 | (25,539) | - | - | 1,679,308 |
| Government donated assets | - | 2,417,236 | - | - | - | 2,417,236 |
| | <u>13,587,407</u> | <u>4,581,247</u> | <u>(411,842)</u> | <u>122,434</u> | <u>-</u> | <u>17,879,246</u> |
| TOTAL RESTRICTED FUNDS | <u>11,436,175</u> | <u>12,687,405</u> | <u>(8,868,383)</u> | <u>-</u> | <u>62,000</u> | <u>15,317,197</u> |
| TOTAL FUNDS | <u><u>11,757,423</u></u> | <u><u>13,006,661</u></u> | <u><u>(9,004,538)</u></u> | <u><u>-</u></u> | <u><u>62,000</u></u> | <u><u>15,821,546</u></u> |

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

19. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the ESFA during the period in order to fund the continuing activities of the Academy Trust. During the year, £57,660 (2018 - £95,421) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

PE and Sports Grant represents funding received from the ESFA to fund improvements to the provision of PE and sport.

Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Universal Infant Free School Meal (UIFSM) represents funding from the ESFA to cover the cost of providing free school meals to all pupils in reception, year 1 and year 2.

Teaching Schools grant received from the National College for Teaching and Leadership represents funding towards the training and development of other schools.

Other DfE/ESFA grants represents amounts received for rates relief, teachers pay grant, MDIF and setup grants provided by the ESFA to cover the cost of non-domestic rates for the period, teachers pay increases, MAT development and setup costs.

Setup Grants represents funding received for the costs towards a school converting to an Academy and joining the Trust.

High Needs represents funding received by the Local Authority to fund further support for students with additional needs.

Other restricted funds represents donations, school trips and other income restricted in nature.

Pension reserve represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred in represent the buildings and equipment donated to the school from the Local Authority on conversion to an Academy and amounts transferred in existing Academies in to the Trust.

DfE/ESFA Capital grants represents Academies Capital Maintenance Fund (ACMF), Conditional Improvement Funding (CIF) and Devolved Formula Capital funding from the ESFA to cover specific building projects, as well as the maintenance and purchase of the Academy Trust's assets.

Capital Expenditure from GAG and other donations represents capital purchases made from the General Annual Grant and other donations received for fixed assets.

Government donated assets - represents assets donated to the Trust from the Local Authority.

OTHER INFORMATION

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

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Corsham Primary School | 435,867 | 502,729 |
| Queen's Crescent Primary School | 108,614 | 108,977 |
| Aloeric Primary School | (81,014) | (198,604) |
| Ivy Lane Primary School | 173,271 | 133,027 |
| Ludwell Community Primary School | 13,902 | - |
| Pickwick Academy Trust | 83,660 | 62,887 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 734,300 | 609,016 |
| Restricted fixed asset fund | 17,879,246 | 13,587,407 |
| Pension reserve | (2,792,000) | (2,439,000) |
| | <hr/> | <hr/> |
| TOTAL | 15,821,546 | 11,757,423 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following academy is carrying a net deficit on its portion of the funds as follows:

| | Deficit £ |
|------------------------|--------------|
| Aloeric Primary School | (81,014) |
| | <hr/> <hr/> |

Planned actions have reduced the deficit at Aloeric Primary School by £96,000 during 2019-20 and further actions are in place over the next two years to return the schools to a surplus position.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

Expenditure incurred by each academy during the year was as follows:

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2020 £ | Total 2019 £ |
|--|--|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Corsham Primary School | 1,714,190 | 522,876 | 79,478 | 683,874 | 3,000,418 | 2,949,673 |
| Queen's Crescent Primary School | 1,105,343 | 128,068 | 33,274 | 301,097 | 1,567,782 | 1,538,410 |
| Aloeric Primary School | 1,038,177 | 151,205 | 35,576 | 290,645 | 1,515,603 | 1,823,615 |
| Ivy Lane Primary School | 1,092,584 | 220,193 | 35,972 | 301,742 | 1,650,491 | 1,699,583 |
| Ludwell Community Primary School | 216,630 | 59,116 | 12,053 | 46,383 | 334,182 | - |
| Central services | 128,055 | 103,095 | 22,594 | 270,476 | 524,220 | 127,054 |
| ACADEMY TRUST | 5,294,979 | 1,184,553 | 218,947 | 1,894,217 | 8,592,696 | 8,138,335 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

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

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|--|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 385,203 | 232,222 | (296,177) | - | - | 321,248 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant (GAG) | - | 6,097,706 | (6,040,046) | (57,660) | - | - |
| PE and Sports Grant | 19,993 | 78,720 | (64,372) | - | - | 34,341 |
| Pupil Premium | 14,340 | 397,035 | (391,429) | - | - | 19,946 |
| UIFSM | - | 275,829 | (275,829) | - | - | - |
| Teaching Schools | 92,090 | 297,095 | (275,507) | - | - | 113,678 |
| Other ESFA | - | 226,608 | (135,948) | - | - | 90,660 |
| High Needs | - | 287,933 | (287,933) | - | - | - |
| Other Government Grants | - | 38,007 | (38,007) | - | - | - |
| Setup Grants | - | 25,000 | - | - | - | 25,000 |
| Other restricted funds | 10,158 | 96,072 | (102,087) | - | - | 4,143 |
| Pension reserve | (1,216,000) | - | (231,000) | - | (992,000) | (2,439,000) |
| | <u>(1,079,419)</u> | <u>7,820,005</u> | <u>(7,842,158)</u> | <u>(57,660)</u> | <u>(992,000)</u> | <u>(2,151,232)</u> |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Assets transferred on conversion | 11,969,621 | - | (234,861) | - | - | 11,734,760 |
| DfE/ESFA Capital grants | 1,387,541 | 126,928 | (47,273) | - | - | 1,467,196 |
| Capital expenditure from GAG and donations | 319,007 | 64,208 | (55,424) | 57,660 | - | 385,451 |
| | <u>13,676,169</u> | <u>191,136</u> | <u>(337,558)</u> | <u>57,660</u> | <u>-</u> | <u>13,587,407</u> |
| TOTAL RESTRICTED FUNDS | <u>12,596,750</u> | <u>8,011,141</u> | <u>(8,179,716)</u> | <u>-</u> | <u>(992,000)</u> | <u>11,436,175</u> |
| TOTAL FUNDS | <u>12,981,953</u> | <u>8,243,363</u> | <u>(8,475,893)</u> | <u>-</u> | <u>(992,000)</u> | <u>11,757,423</u> |

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 16,604,916 | 16,604,916 |
| Current assets | 504,349 | 978,144 | 1,274,330 | 2,756,823 |
| Creditors due within one year | - | (748,193) | - | (748,193) |
| Pension scheme liability | - | (2,792,000) | - | (2,792,000) |
| TOTAL | 504,349 | (2,562,049) | 17,879,246 | 15,821,546 |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 13,559,611 | 13,559,611 |
| Current assets | 321,248 | 1,004,770 | 27,796 | 1,353,814 |
| Creditors due within one year | - | (717,002) | - | (717,002) |
| Pension scheme liability | - | (2,439,000) | - | (2,439,000) |
| TOTAL | 321,248 | (2,151,232) | 13,587,407 | 11,757,423 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

21. 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) | 4,002,123 | (232,530) |
| ADJUSTMENTS FOR: | | |
| Depreciation charges | 411,842 | 337,558 |
| Capital grants from DfE and other capital income | (59,116) | (193,901) |
| Interest received | (1,077) | (999) |
| Defined benefit pension scheme obligation inherited | 57,000 | - |
| Defined benefit pension scheme cost less contributions payable | 307,000 | 195,000 |
| Defined benefit pension scheme finance cost | 51,000 | 36,000 |
| (Increase)/decrease in stocks | (5,070) | - |
| (Increase)/decrease in debtors | (1,285,139) | 86,240 |
| Increase/(decrease) in creditors | 31,191 | 55,197 |
| Net assets received on conversion | (858,672) | - |
| Donated asset from Local Authority | (2,417,236) | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 233,846 | 282,565 |

22. CASH FLOWS FROM INVESTING ACTIVITIES

| | 2020 £ | 2019 £ |
|--|------------------|-----------------|
| Interest received | 1,077 | 999 |
| Purchase of tangible fixed assets | (204,567) | (224,848) |
| Capital grants from DfE/ESFA | 59,116 | 193,901 |
| Cash transferred on conversion to the Trust | 23,328 | - |
| NET CASH USED IN INVESTING ACTIVITIES | (121,046) | (29,948) |

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2020 £ | 2019 £ |
|---------------------------------|------------------|------------------|
| Cash at bank and in hand | 1,151,879 | 1,039,079 |
| Cash at bank and in hand | 1,151,879 | 1,039,079 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

24. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 September 2019 £ | Cash flows £ | At 31 August 2020 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,039,079 | 112,800 | 1,151,879 |
| | <u>1,039,079</u> | <u>112,800</u> | <u>1,151,879</u> |

25. CONVERSION TO AN ACADEMY TRUST

On 1 November 2019 Ludwell Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Pickwick Academy Trust from Wiltshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|----------------------------|--------------------------|---|---------------------|
| TANGIBLE FIXED ASSETS | | | | |
| Leasehold land and buildings | - | - | 835,344 | 835,344 |
| CURRENT ASSETS | | | | |
| Cash - representing budget surplus on LA funds | 23,328 | - | - | 23,328 |
| NON-CURRENT LIABILITIES | | | | |
| Pension liability | - | (57,000) | - | (57,000) |
| NET ASSETS/(LIABILITIES) | <u>23,328</u> | <u>(57,000)</u> | <u>835,344</u> | <u>801,672</u> |

26. PENSION COMMITMENTS

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

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

26. PENSION COMMITMENTS (CONTINUED)

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

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

TEACHERS' PENSION SCHEME

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

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

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 £785,726 (2019 - £504,288).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

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

26. 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 £483,000 (2019 - £473,000), of which employer's contributions totalled £398,000 (2019 - £388,000) and employees' contributions totalled £ 85,000 (2019 - £85,000). The agreed contribution rates for future years are 23.5% per cent for employers and 5.5% - 12.5% per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, 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 Trust 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 % | 2019 % |
|--|-----------|-----------|
| Rate of increase in salaries | 2.6 | 2.6 |
| Rate of increase for pensions in payment/inflation | 2.2 | 2.3 |
| Discount rate for scheme liabilities | 1.7 | 1.9 |

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

| | 2020 Years | 2019 Years |
|-----------------------------|---------------|---------------|
| RETIRING TODAY | | |
| Males | 21.7 | 21.4 |
| Females | 24.0 | 23.7 |
| RETIRING IN 20 YEARS | | |
| Males | 22.5 | 22.3 |
| Females | 25.5 | 25.1 |

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

| | 2020 £ | 2019 £ |
|-------------------------------------|------------------|------------------|
| Equities | 2,894,000 | 3,242,000 |
| Bonds | 1,653,000 | 639,000 |
| Property | 620,000 | 594,000 |
| Cash and other liquid assets | - | 91,000 |
| TOTAL MARKET VALUE OF ASSETS | 5,167,000 | 4,566,000 |

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

26. PENSION COMMITMENTS (CONTINUED)

The actual return on scheme assets was £109,000 (2019 - £292,000).

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

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Current service cost | (705,000) | (557,000) |
| Past service cost | - | (26,000) |
| Interest income | 92,000 | 114,000 |
| Interest cost | (143,000) | (150,000) |
| TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES | (756,000) | (619,000) |

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

| | 2020 £ | 2019 £ |
|--------------------------|------------------|------------------|
| AT 1 SEPTEMBER | 7,005,000 | 5,084,000 |
| Interest cost | 143,000 | 150,000 |
| Employee contributions | 85,000 | 85,000 |
| Actuarial losses/(gains) | (78,000) | 1,152,000 |
| Benefits paid - | (33,000) | (49,000) |
| Business combinations | 132,000 | - |
| Past service cost | - | 26,000 |
| Current service cost | 705,000 | 557,000 |
| AT 31 AUGUST | 7,959,000 | 7,005,000 |

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

| | 2020 £ | 2019 £ |
|---------------------------|------------------|------------------|
| AT 1 SEPTEMBER | 4,566,000 | 3,868,000 |
| Expected return on assets | 92,000 | 114,000 |
| Business combinations | 75,000 | - |
| Actuarial losses/(gains) | (16,000) | 160,000 |
| Employer contributions | 398,000 | 388,000 |
| Employee contributions | 85,000 | 85,000 |
| Benefits paid | (33,000) | (49,000) |
| AT 31 AUGUST | 5,167,000 | 4,566,000 |

**PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

27. OPERATING LEASE COMMITMENTS

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

| | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Not later than 1 year | 9,382 | 18,946 |
| Later than 1 year and not later than 5 years | 3,698 | 17,733 |
| | <u>13,080</u> | <u>36,679</u> |

28. 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.

29. RELATED PARTY TRANSACTIONS

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

During the year the Trust paid £587 to Digital Wonderlab Limited which the brother of James Passmore, CEO and Trustee, is a director.

The Trust also paid £138 to Bath Marquees Limited which the spouse of K Parker, member of the Senior Leadership Team, is a director.

All transactions were on normal commercial terms.

PICKWICK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

30. TEACHING SCHOOL TRADING ACCOUNT

| | 2020 £ | 2020 £ | 2019 £ | 2019 £ |
|---|----------------|-----------------|----------------|----------------|
| Income | | | | |
| Income | 139,213 | | 297,095 | |
| Investment income | 45 | | 158 | |
| TOTAL DIRECT INCOME | 139,258 | | 297,253 | |
| TOTAL INCOME | | 139,258 | | 297,253 |
| Expenditure | | | | |
| DIRECT EXPENDITURE | | | | |
| Direct staff costs | 51,937 | | - | |
| OTHER EXPENDITURE | | | | |
| Wages and salaries | 42,246 | | 109,729 | |
| Maintenance of premises and equipment | - | | 666 | |
| Security and transport | 1,170 | | 3,965 | |
| Catering costs | 1,663 | | 3,400 | |
| Technology costs | 340 | | 299 | |
| Office overheads | 5,260 | | 7,554 | |
| Professional fees | 86,375 | | 149,822 | |
| Bank charges | (43) | | 72 | |
| TOTAL OTHER EXPENDITURE | 137,011 | | 275,507 | |
| TOTAL EXPENDITURE | | 188,948 | | 275,507 |
| (Deficit)/surplus from all sources | | (49,690) | | 21,746 |
| Teaching school balances at 1 September 2019 | | 113,446 | | 91,700 |
| TEACHING SCHOOL BALANCES AT 31 AUGUST 2020 | | 63,756 | | 113,446 |