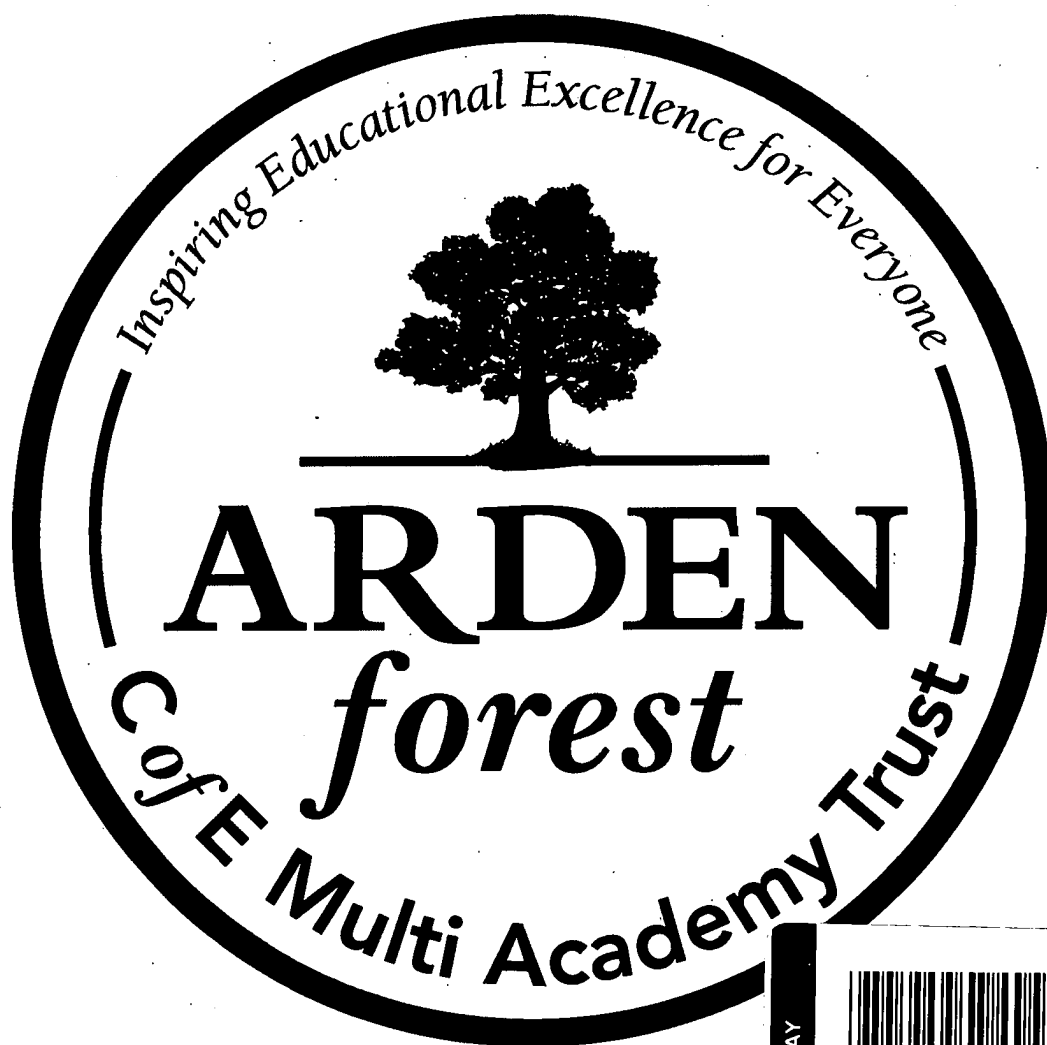


Company Registration No. 08248830 (England and Wales)

**ARDEN FOREST C OF E MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



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# ARDEN FOREST C OF E MULTI ACADEMY TRUST

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# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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|                  |  |   |
|------------------|--|---|
| <b>Directors</b> | Susan Heap<br>Adam Walsh<br>Caroline Harris<br>Andrew Deeks<br>Vincent Foy<br>Nicholas Moon<br>Stuart Tilsley<br>Catherine Barron<br>Helen Wood<br>Marian Webb | Chair of the Board of Directors<br>Chief Executive Officer<br>(Resigned 02/04/2020)<br><br><br><br><br><br><br><br><br>(Appointed 01/06/2020) |
|------------------|--|---|

|                |  |  |
|----------------|--|--|
| <b>Members</b> | Christopher Cocksworth<br>Linda Wainscot<br>Adrian Guthrie<br>Susan Heap<br>Virginia Von Malachowski | Bishop of Coventry<br>Diocesan Director of Education<br>Rector of the Parish of Alcester<br>Chair of the Board of Directors<br>Member of the local community |
|----------------|--|--|

|                        |                            |  |
|------------------------|----------------------------|--|
| <b>Leadership Team</b> | Adam Walsh<br>Louise Green | Chief Executive Officer<br>Chief Financial Officer |
|------------------------|----------------------------|--|

**Company secretary** Susan Heap

**Company no.** 08248830 (England and Wales)

**Registered office** St Nicholas Church of England Primary School  
St. Faiths Road  
Alcester  
Warwickshire  
B49 6AG

**Academies in MAT** St Nicholas C of E Primary School  
Coughton C of E Primary School  
Temple Grafton C of E Primary School  
Henley in Arden C of E Primary School

**Auditor** Ormerod Rutter Limited  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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|                   |  |
|-------------------|--|
| <b>Actuary</b>    | Hymans Robertson LLP<br>One London Wall<br>London<br>EC2Y 5EA                          |
| <b>Bankers</b>    | Lloyds Bank Plc<br>22 Bridge Street<br>Stratford Upon Avon<br>Warwickshire<br>CV37 6AG |
| <b>Solicitors</b> | Anthony Collins Solicitors<br>134 Edmund Street<br>Birmingham<br>B3 2ES                |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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The Directors present their annual report together with the accounts and auditor's 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.

On 1 June 2020 Henley in Arden C of E Primary School joined the Trust. Henley in Arden C of E Primary School was previously a single academy trust that had been supported by the CEO and CFO since January 2018.

The Multi-Academy Trust now operates 4 primary academies in South Warwickshire. Its academies have a combined pupil capacity of 910 and had a roll of 831 pupils.

#### Structure, governance and management

##### Constitution

The Multi-Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Multi-Academy Trust.

The Directors are the Trustees of Arden Forest C of E Multi Academy Trust and are also the directors of the charitable company for the purposes of company law. Details of the Directors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Directors' indemnities

The Multi-Academy Trust's Memorandum and Articles of Association includes a provision for qualifying third party indemnity for the benefit of its Directors and officers. These provisions remain in force at the reporting date.

In accordance with normal commercial practice the Multi-Academy Trust has purchased insurance to protect Directors and officers for claims arising from negligent acts, errors or omissions occurring whilst on school business.

##### Method of recruitment and appointment or election of Directors

From 1 March 2018, the Memorandum & Articles requires that at least 5 Directors must be appointed by the members. The Directors can also appoint up to 2 Co-opted Directors, provided that they are not employees of the Multi-Academy Trust and that the number of Co-opted Directors does not exceed one third of the total number of Directors.

The Members have decided to appoint Directors as follows:

- The Chair of the Board of Directors;
- The Chief Executive Officer;
- Governors from the Local Board of Governors within the Multi-Academy Trust with appropriate skills; and
- Directors who are not from the Local Governing boards, but with a specific skill set and experience which will enhance the expertise of the MAT Board.

##### Policies and procedures adopted for the induction and training of Directors

Training and induction for Directors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or Directors may attend external training provision as appropriate. Directors are provided with access to copies of all the documents and policies that they will need to undertake their role.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Organisational structure

The Board of Directors meets formally at least three times per year. Discussions are held and decisions are made or ratified as appropriate.

The day to day running of the Multi-Academy Trust is delegated to the Chief Executive Officer and the Senior Leadership Team who report back to the Directors as appropriate.

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

Key management personnel, as with all other employees of the Academy, have their salary set by reference to either the NASUWT teacher pay scales or NJC non-teacher pay scales and their job grading.

The Directors review all proposed changes to employee wages.

#### Related parties and other connected charities and organisations

During the year the Multi-Academy Trust did not have any connected organisations. Neither were there any related party relationships. Any related party relationships that may arise would be acknowledged at the Directors' meetings through the pecuniary interests forms.

#### Co-operation with other organisations in pursuit of charitable objectives

The parent associations of each school undertake fundraising activities as separate organisations, with the proceeds used for the betterment of the pupils who attend the school for whom they represent.

During the year the Multi-Academy Trust provided a caretaker for the Children's Centre, Alcester, run by Banardos and acts as a hub for early learning, child and family health services, family support and links to training and employment advice.

In addition the Multi-Academy Trust continues to have a good working relationship with the Diocese of Coventry who provide support and guidance from both an educational and pastoral perspective. The CEO is the Chair of the DBE's Headteacher and Advisory Group and as such, is a member of the DBE.

The Multi-Academy Trust also lets out part of its premises to local organisations although this ability has been significantly diminished due to COVID restrictions.

### **Objectives and activities**

#### Objects and aims

The objectives of the charitable company are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- Other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

#### Objectives, strategies and activities

The main aim of the charitable company over the year has been to continue to provide a stable environment following operating as a Multi-Academy Trust to ensure that the very high standards set by the Multi-Academy Trust were maintained. Within this environment, our aim has been to continue to use the freedoms brought by Multi-Academy Trust status to lay down the foundations of new initiatives to further enhance the quality of teaching and learning in the Multi-Academy Trust, thereby maximising the opportunities for all students to realise their potential.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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Following the consultation period for Henley in Arden C of E Primary School, the MAT conducted due diligence to ensure that the school did not present a risk to the MAT. The areas that were considered were: finance, school effectiveness (quality of teaching, learning and leadership), governance, premises and health and safety. After careful consideration of each of the reports the governors of Henley in Arden C of E Primary School agreed to the formation of the MAT.

There are clear benefits of working in this way. The main benefit to collaborative working will be on teaching, learning and leadership. There are highly effective teaching strategies and engaging curriculums that we can share and develop and the MAT will guarantee a shared commitment to working together rather than in isolation. Working in this way will ensure the quality of teaching and learning remains high and children have the best possible primary school experience. Through committing to work together, there are also financial savings to be had in economies of scale and procurement.

### Volunteers

A wide range of visitors are invited into the schools to contribute in a variety of ways. These include health professionals, artists, poets in residence, theatre in education groups, craftspeople, the rector, local historians, careers advisers, police officers, local secondary school students, parents and grandparents and other people with particular expertise, experience or knowledge. These visitors contribute to learning in a variety of settings, such as curriculum extension or enrichment activities, assemblies, extracurricular events and clubs, community projects, theatre in education, insight into industry days, in lessons, at school based conferences, as expert witnesses and accompanying pupils on school trips.

Care is needed when handling sensitive and/or controversial issues that may arise. Staff and pupils will be involved in the establishment of classroom rules which set the climate for the lesson and make clear how all involved in the lesson are expected to behave towards each other during the session, this will then enable everyone involved to feel safe. Part of that discussion will include consideration of what kind of information is for sharing beyond the classroom and how pupils would feel if something they have contributed to the lesson were talked about on the playground or in the staffroom. These rules apply equally to pupils, staff and visitors. Where visitors support the curriculum, they are made aware of and abide by the school's policy regarding disclosures and confidentiality. The boundary between providing individual advice and providing learning opportunities for groups of pupils is made clear to everyone.

A teacher is present during any session with an outside visitor.

### Public benefit

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

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Strategic report

#### Achievements and performance

Due to the Corona virus pandemic and the subsequent government legislation led to all schools being closed from Mid March 2020, with the exception of in school teaching provision for the children of "key" workers and those children classified as vulnerable. In addition detailed home learning support packages were provided for the other children.

All schools undertook a rigorous review of its processes and procedures to ensure the safety of children and staff whilst in school. These processes were then adapted so that all schools could maintain their safeguarding responsibilities during lockdown.

Because of the Corona virus pandemic, no national tests or assessments took place. This was in line with Government guidance.

The number of disadvantaged children within the Trust are lower than national averages.

This year the MAT continues to use THRIVE across the three founding schools to ensure that all staff have a deep understanding of how the concept can benefit all children and specifically those who have had adverse childhood experiences. This will be introduced at Henley in Arden C of E Primary School during the 20-21 academic year.

#### Key performance indicators

As a charitable company the Multi-Academy Trust does not consider it suitable to measure its performance in terms of financial measurements. However, the Directors review net incoming/outgoing resources before actuarial pension movements, to ensure that the Multi-Academy Trust achieves a small surplus each financial year, unless the Multi-Academy Trust undertakes activities to be funded out of reserves with the agreement of the Directors, to balance the need for the Multi-Academy Trust to have sufficient reserves to continue operations against the desire to maximise the benefit that the pupils of the Multi-Academy Trust receive.

The Directors consider the non-financial key performance indicators of the Multi-Academy Trust to be:

- the academic success of the pupils (as measured by National Statistics published by the Department For Education);
- other statistical analysis;
- each school within the Multi-Academy Trust's latest Ofsted inspection report grade and the Diocesan Board of Education section 48 inspections;
- in-house qualitative reports prepared by the Senior Leadership Team.

#### Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Multi-Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.



# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Financial review

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

During the year, one additional school joined the Multi Academy Trust, however, discussions took place with a number of schools in the area and these will continue with the expectation that possibly three schools will join the MAT in 2020/21.

Total expenditure for the year was £3,598,431 (2019 - £3,213,394), which was more than covered by recurrent grant funding from the ESFA together with other incoming resources.

Total net deficit (before actuarial gains on defined benefit pension scheme and excluding any transfers into the MAT) for the year was £215,847 (2019 - surplus - £108,541).

At 31 August 2020 the net book value of fixed assets was £9,975,470 (2019 - £9,684,650). The movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Multi-Academy Trust.

At the year end the Multi-Academy Trust had total net assets of £8,881,695 (2019 - £9,323,972), split into the following reserves:

- Unrestricted funds of £619,771 (2019 - £438,938)
- Restricted general funds (excluding pension reserve) of £68,906 (2019 - £118,844)
- Restricted general funds - pension reserve of £1,647,000 in deficit (2019 - £999,000 in deficit)
- Restricted fixed asset funds of £9,840,018 (2019 - £9,765,190)

#### Reserves policy

The level of unrestricted funds and GAG restricted funds are being built up out of operating surpluses as to create a reserve to cover the risks and uncertainties of operating the school and thereby ensuring the financial security of the Multi-Academy Trust.

The Directors have evaluated what should be a suitable reserves policy and have concluded that a value of 5% of the budget is an appropriate amount. This is needed to support subsequent years where pupil numbers may fluctuate.

The Multi-Academy Trust also, from time to time, accumulates funding in order to finance specific projects that requires higher than normal expenditure and could not otherwise be funded out of day to day operating income.

The fixed assets of the Multi-Academy Trust held in restricted fixed asset funds are considered necessary for the continued running of the school and such funds are therefore excluded from review. Restricted fixed asset funds held as cash are being accumulated until sufficient funds are available to finance the planned purchase of specific capital items.

The Directors regularly monitor the level of reserves and report to the ESFA any unspent funds expected to be carried forward.

The Directors consider the level of reserves at the period end to be sufficient but not excessive.

The Multi-Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £619,771 (2019 - £438,938).

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the ESFA.

Excluding the Pension Reserve fund, the Academy is not carrying a deficit on any restricted general funds.

#### Investment policy

The Academy does not hold either any short term or long term investments.

#### Principal risks and uncertainties

The Directors confirming that the major risks to which the Multi-Academy Trust is exposed, as identified by themselves, have been reviewed, and that systems or procedures have been established to manage those risks.

The principal financial risks facing the Multi-Academy Trust is that funding is dependent upon pupil numbers and upon the Government's policies for education. Pupil numbers have continued to increase in the current financial year. However Directors are aware that pupil numbers would be affected by changes to the reputation of the school or by significant developments within the local area, although the Directors do not consider the risk of such changes occurring to be high. The Directors review for any significant changes in Government funding policies that may affect the funding received by the school.

The Multi-Academy Trust is a participating employer of the Warwickshire County Council Local Government Pension scheme, a multi-employer defined benefit pension scheme which is currently in deficit. The ongoing contributions payable to this scheme is considered manageable within the Academy's ongoing budgets.

The principal non-financial risks facing the Multi-Academy Trust are the protection of pupils, staff and assets, as well ensuring that the school continues to obtain favourable Ofsted inspection results. The Multi-Academy Trust has policies in place to manage all these risks.

#### **Fundraising**

Separately from the matter of charging, the Multi-Academy Trust on occasion seeks voluntary contributions in order to offer a wide variety of experiences to pupils. All requests for voluntary contributions will emphasise their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently to those who have. If we do not receive sufficient voluntary contributions, we may cancel the event. This will be made clear to parents in the letter advising details of the activity.

If a parent wishes their child to take part in a curriculum based event, but is unwilling or unable to make a voluntary contribution, we do allow the child to participate fully in the trip or activity. Sometimes the Multi-Academy Trust pays additional costs in order to support the visit. Parents have a right to know how each trip is funded. The Multi-Academy Trust provides this information on request.

The following is a list of additional activities organised by the Multi-Academy Trust, which require voluntary contributions from parents. These activities are known as "optional extras". This list is not exhaustive:

- visits to museums;
- sporting activities which require transport expenses;
- outdoor adventure activities;
- visits to the theatre;
- school trips; and
- musical events.

The Multi-Academy Trust does not engage in any other fundraising activities.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Plans for future periods

The Multi-Academy Trust will take every opportunity to improve the school environment to enhance the atmosphere for students. However the Directors are aware that funding for significant capital projects has to be applied for through the ESFA.

- The main focus of the trust for 2020-21 is to make significant progress against the Trust's Priority Plan.
- Create stable and safe environments for staff and children in the light of ongoing legislation and guidance as a result of the Covid 19 pandemic.
- To prioritise the well-being, mental health needs and attendance of pupils and staff.
- To use the catchup funding appropriately to close gaps identified through careful assessment.
- Ensure all schools have prepared adequately for remote online learning and its effectiveness is assessed taking access to equipment, access to the internet and parental support in to consideration.
- Relevant staff training to ensure that all staff are well informed of 2020-21 initiatives.
- Identify across the trust and more widely with other local schools, the opportunities for joint CPD.
- To continue to build and develop an effective leadership structure as the Trust grows.
- To work closely with members of each school's local community.

### Funds held as custodian trustee on behalf of others

The Multi-Academy Trust does not hold any funds as custodian trustee on behalf of others.

### Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Directors 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.

A resolution proposing that Ormerod Rutter Limited be reappointed as auditor of the charitable company will be put to the members.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 21 January 2021 and signed on its behalf by:



Susan Heap

**Chair of the Board of Directors**

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Arden Forest C of E Multi 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 Directors 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 Arden Forest C of E Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities.

The Board of Directors of the Multi Academy Trust formally met 6 times during the year. Attendance at these meetings was as follows:

| <b>Directors</b> |                         | <b>Meetings attended</b> | <b>Out of possible</b> |
|------------------|-------------------------|--------------------------|------------------------|
| Susan Heap       | Chair of Directors      | 6                        | 6                      |
| Adam Walsh       | Chief Executive Officer | 6                        | 6                      |
| Catherine Barron |                         | 5                        | 6                      |
| Andrew Deeks     |                         | 6                        | 6                      |
| Vincent Foy      |                         | 6                        | 6                      |
| Caroline Harris  |                         | 3                        | 4                      |
| Nicholas Moon    |                         | 5                        | 6                      |
| Stuart Tilsley   |                         | 5                        | 6                      |
| Helen Wood       |                         | 4                        | 6                      |
| Marian Webb      |                         | 1                        | 1                      |

Caroline Harris resigned from her post on 02/04/2020.

Marion Webb was appointed to the Board on 01/06/2020.

The Finance Committee is a sub-committee of the main Board of Governors. Meetings are held at the same time as the Full Governing Board.

The Directors of the Multi-Academy Trust have been appointed based on their relevant skills portfolio. A scheme of delegation has been created that covers the new reporting structure from Directors, Executive Head, Local Governing bodies and local school staff. This is monitored and supported by the Chief Financial Officer.

The Chief Financial Officer is responsible for the preparation of the Multi-Academy Trust's budget along with the Resources sub-committee at each school, monitoring expenditure and addressing financial matters.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Review of value for money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Multi-Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Areas where the trust's activities have contributed to achieving value for money:

- The trust's collaborative school improvement approach includes regular meetings for leaders. These meetings build the leadership capacity and facilitate the sharing of best practice. During 2019-20, other schools were invited to attend these meetings resulting in a total of 9 primary schools and one secondary school attending these meetings, sharing ideas and building a support network.
- All schools within the MAT were supported in conducting full curriculum reviews including the progressions of skills and knowledge. Training at various levels including SLT, middle leaders and class teachers was arranged and led to changes to each school's curriculum.
- During the first National Lockdown from 23rd March 2020, the trust ensured there was support for Headteachers with the CEO facilitating daily briefings supported by CFO. This allowed each of the schools within the trust to respond quickly to the changing challenges of the COVID-19 pandemic. The schools worked collaboratively to develop remote learning opportunities for children which saved time and reduced workload for each individual.
- A MAT wide approach to Behaviour was introduced in September 2019 which is based on the restorative approach. This change was complimented by the THRIVE approach which supports children with significant gaps in their emotional development and enables them to regulate themselves and ultimately interact well with others and access learning.
- The Directors continue to build a consistent senior leadership team structure across the schools currently in the MAT. Talent management and succession planning is considered and reviewed. Following a resignation, a new head of school was appointed at Temple Grafton C of E Primary School, from within the Trust which, in turn, led to internal appointments including Assistant Head. Staff are also moved between schools with agreement from the staff member and LGBs. These movements provide evidence that the Trust's succession plan is sustainable and able to be implemented across the MAT.
- The MAT successfully applied for three CIF bids for St Nicholas C of E Primary School, Coughton C of E Primary School and Henley in Arden C of E Primary School.
- Over the course of the year, contracts and services were reviewed as they came to an end and we were able to realise a number of cost savings.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Multi-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 Arden Forest C of E Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

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

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### The risk and control framework

The Multi-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 from the HCSS Finance system, which are reviewed and agreed by the Board of Directors;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks are reviewed on a regular basis at Board of Directors level.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Board of Directors has appointed the services of Warwickshire County Council Schools Finance team to conduct regular internal audits of the key processes.

This service provider's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, they report to the Directors and local schools' Boards of Governors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The school's system of internal policies and financial controls is subject to periodic review and revision by the Board of Governors.

### 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:

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

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 Directors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 21 January 2021 and signed on its behalf by:



Susan Heap  
Chair of the Board of Directors



Adam Walsh  
Executive Head Teacher

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2020**

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As accounting officer of Arden Forest C of E Multi Academy Trust, I have considered my responsibility to notify the Multi-Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Multi-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 Multi-Academy Trust's Board of Directors are able to identify any material irregular or improper use of funds by the Multi-Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi-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 Directors and ESFA.



Adam Walsh  
**Accounting Officer**

21 January 2021

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The directors (who also act as trustees for Arden Forest C of E Multi Academy Trust) are responsible for preparing the Directors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 Directors to prepare accounts for each financial year. Under company law, the Directors must not approve the accounts 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 accounts, the Directors are required to:

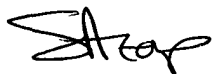
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Directors 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 accounts 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 Directors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 21 January 2021 and signed on its behalf by:



Susan Heap  
Chair of the Board of Directors



# **ARDEN FOREST C OF E MULTI ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN FOREST C OF E MULTI ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinion**

We have audited the accounts of Arden Forest C of E Multi 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the Directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Multi-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 accounts are authorised for issue.

### **Other information**

The Directors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN FOREST C OF E MULTI ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

- the information given in the Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Multi-Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Directors are responsible for assessing the Multi-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 Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

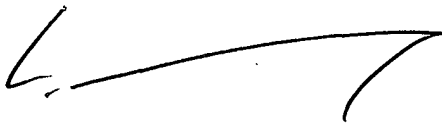
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN FOREST C OF E MULTI ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Colm McGrory FCA (Senior Statutory Auditor)**  
for and on behalf of Ormerod Rutter Limited

27/1/2021

**Chartered Accountants**  
**Statutory Auditor**

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# **ARDEN FOREST C OF E MULTI ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ARDEN FOREST C OF E MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

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In accordance with the terms of our engagement and further to the requirements of the Education & 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 Arden Forest C of E Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Arden Forest C of E Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Arden Forest C of E Multi 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 Arden Forest C of E Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Arden Forest C of E Multi Academy Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Arden Forest C of E Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ARDEN FOREST C OF E MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Conclusion

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

*Ormerod Rutter Limited*

### Reporting Accountant

Ormerod Rutter Limited  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

Dated: 27/1/2021

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

|  | Notes    | Unrestricted funds<br>£ | Restricted funds:<br>General £ Fixed asset £ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--|----------|-------------------------|--|--------------------|--------------------|
| <b>Income and endowments from:</b>                                   |          |                         |  |                    |                    |
| Donations and capital grants   | 3        | 8,372                   | -  | 49,201             | 57,573             |
| Charitable activities:   |          |                         |  |                    |                    |
| - Funding for educational operations                                 | 5        | -                       | 3,185,916                                    | -                  | 3,185,916          |
| Other trading activities   | 4        | 138,527                 | -  | -                  | 138,527            |
| Investments  | 6        | 568                     | -  | -                  | 568                |
| <b>Total</b>   |          | <b>147,467</b>          | <b>3,185,916</b>                             | <b>49,201</b>      | <b>3,382,584</b>   |
| <b>Expenditure on:</b>   |          |                         |  |                    |                    |
| Charitable activities:   |          |                         |  |                    |                    |
| - Educational operations   | 9        | -                       | 3,434,576                                    | 163,855            | 3,598,431          |
| Charitable expenditure - transfer of existing academy into the trust |          | (85,427)                | 455,000                                      | (176,143)          | 193,430            |
| <b>Total</b>   | <b>8</b> | <b>(85,427)</b>         | <b>3,889,576</b>                             | <b>(12,288)</b>    | <b>3,791,861</b>   |
| <b>Net income/(expenditure)</b>                                      |          | <b>232,894</b>          | <b>(703,660)</b>                             | <b>61,489</b>      | <b>(409,277)</b>   |
| Transfers between funds  | 17       | (52,061)                | 38,722                                       | 13,339             | -                  |
| <b>Other recognised gains/(losses)</b>                               |          |                         |  |                    |                    |
| Actuarial losses on defined benefit pension schemes                  | 19       | -                       | (33,000)                                     | -                  | (33,000)           |
| <b>Net movement in funds</b>   |          | <b>180,833</b>          | <b>(697,938)</b>                             | <b>74,828</b>      | <b>(442,277)</b>   |
| <b>Reconciliation of funds</b>                                       |          |                         |  |                    |                    |
| Total funds brought forward  |          | 438,938                 | (880,156)                                    | 9,765,190          | 9,323,972          |
| Total funds carried forward  |          | 619,771                 | (1,578,094)                                  | 9,840,018          | 8,881,695          |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

| Comparative year information<br>Year ended 31 August 2019 | Notes | Unrestricted funds | Restricted funds: |                  | Total            |
|---|-------|--------------------|-------------------|------------------|------------------|
|   |       | £                  | General           | Fixed asset      | 2019             |
|   |       | £                  | £                 | £                | £                |
| <b>Income and endowments from:</b>                        |       |                    |                   |                  |                  |
| Donations and capital grants                              | 3     | 18,130             | -                 | 210,302          | 228,432          |
| Charitable activities:                                    |       |                    |                   |                  |                  |
| - Funding for educational operations                      | 5     | -                  | 2,945,956         | -                | 2,945,956        |
| Other trading activities                                  | 4     | 147,176            | -                 | -                | 147,176          |
| Investments   | 6     | 371                | -                 | -                | 371              |
| <b>Total</b>  |       | <u>165,677</u>     | <u>2,945,956</u>  | <u>210,302</u>   | <u>3,321,935</u> |
| <b>Expenditure on:</b>                                    |       |                    |                   |                  |                  |
| Charitable activities:                                    |       |                    |                   |                  |                  |
| - Educational operations                                  | 9     | 3,759              | 3,044,492         | 165,143          | 3,213,394        |
| <b>Total</b>  | 8     | <u>3,759</u>       | <u>3,044,492</u>  | <u>165,143</u>   | <u>3,213,394</u> |
| <b>Net income/(expenditure)</b>                           |       | 161,918            | (98,536)          | 45,159           | 108,541          |
| Transfers between funds                                   | 17    | -                  | (37,181)          | 37,181           | -                |
| <b>Other recognised gains/(losses)</b>                    |       |                    |                   |                  |                  |
| Actuarial losses on defined benefit pension schemes       | 19    | -                  | (266,000)         | -                | (266,000)        |
| <b>Net movement in funds</b>                              |       | 161,918            | (401,717)         | 82,340           | (157,459)        |
| <b>Reconciliation of funds</b>                            |       |                    |                   |                  |                  |
| Total funds brought forward                               |       | 277,020            | (478,439)         | 9,682,850        | 9,481,431        |
| Total funds carried forward                               |       | <u>438,938</u>     | <u>(880,156)</u>  | <u>9,765,190</u> | <u>9,323,972</u> |

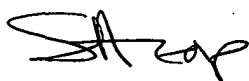
# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

|  | Notes | 2020<br>£          | 2019<br>£         |
|--|-------|--------------------|-------------------|
| <b>Fixed assets</b>                            |       |                    |                   |
| Tangible assets                                | 13    | 9,975,470          | 9,684,650         |
| <b>Current assets</b>                          |       |                    |                   |
| Debtors  | 14    | 166,824            | 93,993            |
| Cash at bank and in hand                       |       | 840,617            | 847,869           |
|  |       | <u>1,007,441</u>   | <u>941,862</u>    |
| <b>Current liabilities</b>                     |       |                    |                   |
| Creditors: amounts falling due within one year | 15    | <u>(454,216)</u>   | <u>(303,540)</u>  |
| <b>Net current assets</b>                      |       | 553,225            | 638,322           |
| <b>Net assets excluding pension liability</b>  |       | <u>10,528,695</u>  | <u>10,322,972</u> |
| Defined benefit pension scheme liability       | 19    | <u>(1,647,000)</u> | <u>(999,000)</u>  |
| <b>Total net assets</b>                        |       | <u>8,881,695</u>   | <u>9,323,972</u>  |
| <b>Funds of the Multi-Academy Trust:</b>       |       |                    |                   |
| <b>Restricted funds</b>                        | 17    |                    |                   |
| - Fixed asset funds                            |       | 9,840,018          | 9,765,190         |
| - Restricted income funds                      |       | 68,906             | 118,844           |
| - Pension reserve                              |       | <u>(1,647,000)</u> | <u>(999,000)</u>  |
| <b>Total restricted funds</b>                  |       | 8,261,924          | 8,885,034         |
| <b>Unrestricted income funds</b>               | 17    | <u>619,771</u>     | <u>438,938</u>    |
| <b>Total funds</b>                             |       | <u>8,881,695</u>   | <u>9,323,972</u>  |

The accounts on pages 20 to 48 were approved by the Directors and authorised for issue on 21 January 2021 and are signed on their behalf by:



Susan Heap  
Chair of the Board of Directors

Company Number 08248830



# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

|   | Notes | 2020<br>£ | £              | 2019<br>£ | £              |
|---|-------|-----------|----------------|-----------|----------------|
| <b>Cash flows from operating activities</b>   |       |           |                |           |                |
| Net cash provided by operating activities   | 20    |           | 112,634        |           | 361,998        |
| Cash funds transferred  |       |           | 115,245        |           | -              |
|   |       |           | <u>227,879</u> |           | <u>361,998</u> |
| <b>Cash flows from investing activities</b>   |       |           |                |           |                |
| Dividends, interest and rents from investments                                      |       | 568       |                | 371       |                |
| Capital grants from DfE Group   |       | 29,528    |                | 160,044   |                |
| Capital funding received from sponsors and others                                   |       | 19,673    |                | 50,258    |                |
| Purchase of tangible fixed assets   |       | (289,684) |                | (172,841) |                |
| Proceeds from sale of tangible fixed assets   |       | 4,784     |                | -         |                |
|   |       | <u></u>   |                | <u></u>   |                |
| <b>Net cash (used in)/provided by investing activities</b>                          |       |           | (235,131)      |           | 37,832         |
|   |       |           | <u></u>        |           | <u></u>        |
| <b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b> |       |           | (7,252)        |           | 399,830        |
| Cash and cash equivalents at beginning of the year                                  |       |           | 847,869        |           | 448,039        |
|   |       |           | <u></u>        |           | <u></u>        |
| <b>Cash and cash equivalents at end of the year</b>                                 |       |           | <u>840,617</u> |           | <u>847,869</u> |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **1 Accounting policies**

Arden Forest C of E Multi Academy Trust is a charitable company limited by guarantee incorporated in England and Wales.

The address of the registered office and its principal place of business is St Nicholas' Church of England Primary School, St. Faiths Road, Alcester, Warwickshire, B49 6AG.

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**

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

##### **1.2 Going concern**

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

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 1 Accounting policies

(Continued)

##### 1.3 Income

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

##### Grants receivable

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

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

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

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi-Academy Trust's accounting policies.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

|                                |                                       |
|--------------------------------|---------------------------------------|
| Leasehold land                 | - not depreciated                     |
| Leasehold buildings            | - 2% on cost & 15 years straight line |
| Leasehold improvements         | - 10% on cost                         |
| Computer equipment             | - 25% on cost & 33% on cost           |
| Fixtures, fittings & equipment | - 10% on cost & 20% on cost           |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 1 Accounting policies

(Continued)

Leasehold property includes property held under 125 year lease agreements issued by both Warwickshire County Council and Coventry Diocesan Board of Education.

The academy trust company occupies land (including buildings) for Henley in Arden. The land is owned by Warwickshire County Council and the buildings are owned by Coventry Diocesan Board of Education. The landlords are the provider of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a lease. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church's contribution to provide State funded education in partnership with the State. The lease delegates aspects of the management of the land (and buildings) to the academy trust company for the time being but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

In accordance with Charities SORP (FRS 102) 2015 this property is recognised in the financial statements, representing the 'right to use' the property. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

Leasehold property also includes property held under the terms of the Church Supplemental Agreement to the Funding Agreement whereby the trustees of the Church of England Parish of Alcester have made leasehold property available indefinitely to the Multi-Academy Trust, subject to either the termination of the Funding Agreement or on receipt of no less than two years written notice from the following 31st August from the trustees of the Church of England Parish of Alcester.

In accordance with FRS 102, this property was recognised in the financial statements, on the basis that the Academy has effective control over the future economic benefits relating to the property, is able to restrict the access of others to those benefits and is responsible for the maintenance of the property for the foreseeable future, on the assumption that it is improbable that notice to vacate the property will be issued within the foreseeable future. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

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.

#### 1.6 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 Multi-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.

#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The Multi-Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi-Academy Trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

Retirement benefits to employees of the Multi-Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Multi-Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-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 projected unit method. The 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 are 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 Multi-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 net income or expenditure 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.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.11 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2019 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 carrying value of tangible fixed assets is dependent on the annual depreciation charge. The annual depreciation charge for tangible fixed assets is sensitive to changes in useful economic lives. The accounting policies for depreciation of tangible fixed assets can be found in note 1 and the carrying value of tangible fixed assets can be found in note 13.

### 3 Donations and capital grants

|                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants  | -                          | 49,201                   | 49,201             | 210,302            |
| Other donations | 8,372                      | -                        | 8,372              | 18,130             |
|                 | <u>8,372</u>               | <u>49,201</u>            | <u>57,573</u>      | <u>228,432</u>     |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Other trading activities

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Hire of premises   | 5,554                      | -                        | 5,554              | 9,239              |
| Catering income  | 37,784                     | -                        | 37,784             | 51,697             |
| Contributions towards music lessons                                | 6,276                      | -                        | 6,276              | 9,240              |
| Contributions towards school trips and extra-curricular activities | 41,723                     | -                        | 41,723             | 48,781             |
| Other income   | 47,190                     | -                        | 47,190             | 28,219             |
|  | <u>138,527</u>             | <u>-</u>                 | <u>138,527</u>     | <u>147,176</u>     |

### 5 Funding for the Multi-Academy Trust's educational operations

|                                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>           |                            |                          |                    |                    |
| General Annual Grant (GAG)         | -                          | 2,635,825                | 2,635,825          | 2,505,343          |
| Rates Relief                       | -                          | 14,671                   | 14,671             | 12,547             |
| MAT Development & Improvement Fund | -                          | 20,160                   | 20,160             | 38,008             |
| Pupil Premium                      | -                          | 141,396                  | 141,396            | 125,007            |
| PE & Sports Premium                | -                          | 58,132                   | 58,132             | 53,890             |
| Universal Infant Free School Meals | -                          | 113,284                  | 113,284            | 108,158            |
| Other DfE / ESFA grants            | -                          | 6,300                    | 6,300              | 3,002              |
|                                    | <u>-</u>                   | <u>2,989,768</u>         | <u>2,989,768</u>   | <u>2,845,955</u>   |
| <b>Other government grants</b>     |                            |                          |                    |                    |
| Special Educational Needs          | -                          | 51,981                   | 51,981             | 56,219             |
| Other DfE/EFA grants               | -                          | 137,152                  | 137,152            | 6,784              |
| Local authority grants             | -                          | -                        | -                  | 36,998             |
| Coronavirus exceptional support    | -                          | 7,015                    | 7,015              | -                  |
|                                    | <u>-</u>                   | <u>196,148</u>           | <u>196,148</u>     | <u>100,001</u>     |
| <b>Total funding</b>               | <u>-</u>                   | <u>3,185,916</u>         | <u>3,185,916</u>   | <u>2,945,956</u>   |

### 6 Investment income

|               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest | 568                        | -                        | 568                | 371                |
|               | <u>568</u>                 | <u>-</u>                 | <u>568</u>         | <u>371</u>         |



# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Central services

The Multi-Academy Trust has provided the following central services to its academies during the year time of Chief Executive Officer and Chief Financial Officer, centralised legal and professional costs, Directors' training and maintaining the website of the Multi-Academy Trust.

The Multi-Academy Trust charges for these services on the basis of 3.5% of General Annual Grant income.

| The amounts charged during the year were as follows: | 2020<br>£     | 2019<br>£     |
|--|---------------|---------------|
| St Nicholas C of E Primary                           | 50,715        | 48,714        |
| Coughton C of E Primary                              | 20,964        | 21,166        |
| Temple Grafton C of E Primary                        | 15,519        | 15,712        |
| Henley in Arden C of E Primary                       | 5,055         | -             |
|  | <u>92,253</u> | <u>85,592</u> |

### 8 Expenditure

|                                  | Staff costs<br>£ | Non Pay Expenditure<br>Premises<br>£ | Other<br>£     | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------------------|------------------|--------------------------------------|----------------|--------------------|--------------------|
| Academy's educational operations |                  |                                      |                |                    |                    |
| - Direct costs                   | 2,351,927        | 136,277                              | 239,353        | 2,727,557          | 2,355,949          |
| - Allocated support costs        | 374,534          | 214,508                              | 281,832        | 870,874            | 857,445            |
|                                  | <u>2,726,461</u> | <u>350,785</u>                       | <u>521,185</u> | <u>3,598,431</u>   | <u>3,213,394</u>   |

| Net income/(expenditure) for the year includes:   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Operating lease rentals                           | 8,747          | 9,278          |
| Depreciation of tangible fixed assets             | 165,778        | 162,737        |
| Gain on disposal of fixed assets                  | (1,923)        | -              |
| Net interest on defined benefit pension liability | 21,000         | 18,000         |
|   | <u>193,592</u> | <u>189,995</u> |

| Fees payable to the auditor:         | 2020<br>£     | 2019<br>£     |
|--------------------------------------|---------------|---------------|
| Audit of financial statements        | 5,750         | 5,350         |
| Audit of ESFA annual return          | 1,600         | 1,540         |
| Audit of TPS end of year certificate | 560           | 1,075         |
| Preparation of financial statements  | 1,800         | 1,850         |
| ESFA Regularity Audit                | 2,250         | 1,900         |
|                                      | <u>11,960</u> | <u>11,715</u> |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Charitable activities

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs - educational operations  | -                          | 2,727,557                | 2,727,557          | 2,383,282          |
| Support costs - educational operations | -                          | 870,874                  | 870,874            | 830,112            |
|  | -                          | 3,598,431                | 3,598,431          | 3,213,394          |

#### Analysis of costs

|  | 2020<br>£ | 2019<br>£ |
|--|-----------|-----------|
| <b>Direct costs</b>                          |           |           |
| Teaching and educational support staff costs | 2,337,261 | 1,988,744 |
| Staff development                            | 14,666    | 13,656    |
| Depreciation                                 | 136,277   | 125,406   |
| Computer costs                               | 5,969     | 27,709    |
| Educational supplies                         | 166,381   | 115,055   |
| Educational professional services            | 35,991    | 64,520    |
| School trip expenses                         | 31,012    | 48,192    |
|  | 2,727,557 | 2,383,282 |
| <b>Support costs</b>                         |           |           |
| Support staff costs                          | 374,534   | 311,146   |
| Depreciation                                 | 27,578    | 37,331    |
| Computer costs                               | 7,597     | 9,628     |
| Legal, professional and staff recruitment    | 49,828    | 78,799    |
| Maintenance of premises and equipment        | 74,981    | 67,311    |
| Cleaning                                     | 20,314    | 16,528    |
| Energy costs                                 | 36,611    | 37,186    |
| Rent and rates                               | 22,805    | 22,080    |
| Insurance                                    | 32,219    | 39,554    |
| Catering costs                               | 161,223   | 168,276   |
| LGPS deficit provision net interest charge   | 21,000    | 18,000    |
| Office licences, telephone and stationery    | 30,224    | 12,558    |
| Auditor's remuneration                       | 11,960    | 11,715    |
|  | 870,874   | 830,112   |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Staff costs

|  | 2020<br>£ | 2019<br>£ |
|--|-----------|-----------|
| Wages and salaries                                 | 1,955,877 | 1,767,708 |
| Social security costs                              | 145,915   | 137,505   |
| Operating costs of defined benefit pension schemes | 564,277   | 385,629   |
| Staff costs  | 2,666,069 | 2,290,842 |
| Supply staff costs                                 | 45,726    | 9,048     |
| Total staff expenditure                            | 2,711,795 | 2,299,890 |

### Staff numbers

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

|                                       | 2020<br>Number | 2019<br>Number |
|---------------------------------------|----------------|----------------|
| Teachers                              | 45             | 41             |
| Teaching assistants                   | 43             | 29             |
| Midday supervisors                    | 36             | 26             |
| Caretakers and cleaners               | 11             | 10             |
| Administration staff                  | 18             | 13             |
| Extended services                     | 7              | -              |
|                                       | 160            | 119            |
| Arden Forest MAT                      | 3              | 3              |
| St Nicholas C of E Primary School     | 75             | 68             |
| Coughton C of E Primary School        | 29             | 21             |
| Temple Grafton C of E Primary School  | 24             | 27             |
| Henley In Arden C of E Primary School | 29             | -              |
|                                       | 160            | 119            |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Staff costs

(Continued)

#### Staff numbers (continued)

The annual average number of persons employed, expressed as a full time equivalent ("FTE"), was as follows:

|                                       | 2020        | 2019        |
|---------------------------------------|-------------|-------------|
| Teachers                              | 36.4        | 27.1        |
| Teaching assistants                   | 19.4        | 14.8        |
| Midday supervisors                    | 4.9         | 3.8         |
| Caretakers and cleaners               | 4.6         | 2.9         |
| Administration staff                  | 6.8         | 5.4         |
| Extended services                     | 1.5         | -           |
|                                       | <u>73.6</u> | <u>54.0</u> |
| Arden Forest MAT                      | 0.4         | 0.4         |
| St Nicholas C of E Primary School     | 35.2        | 35.2        |
| Coughton C of E Primary School        | 14.6        | 9.8         |
| Temple Grafton C of E Primary School  | 8.8         | 8.6         |
| Henley In Arden C of E Primary School | 14.6        | -           |
|                                       | <u>73.6</u> | <u>54.0</u> |

#### Higher paid staff

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

|                   | 2020<br>Number | 2019<br>Number |
|-------------------|----------------|----------------|
| £80,000 - £90,000 | <u>1</u>       | <u>1</u>       |

Total employer pension contributions for these employees were £19,834 (2019 - £13,107).

#### Key management personnel

The key management personnel of the Multi-Academy Trust comprise of the leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Multi-Academy Trust was £133,740 (2019 - £125,677).

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **11 Directors' remuneration and expenses**

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Multi-Academy Trust. The Chief Executive Officer and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Directors.

The value of Directors' remuneration and other benefits was as follows:

Adam Walsh (Chief Executive Officer)

- Remuneration £80,000 - £85,000 (2019: £80,000 - £85,000)
- Employer's pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000)

During the year Directors were reimbursed expenses relating to stationery equipment costs totalling £32 (2019: £414).

### **12 Insurance for Directors and officers**

In accordance with normal commercial practice the Multi-Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. This insurance is included in a schools combined insurance policy which includes cover for multiple other types of insurance and the cost of insurance to protect Directors and officers cannot be easily determined as an individual element of the total cost of this combined insurance policy.

With effect from 1 September 2019 the Multi-Academy Trust has opted into the Department for Education's risk protection arrangement ("RPA"), an alternative to insurance where the UK Government funds cover losses that arise.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 13 Tangible fixed assets

|                        | Leasehold<br>land &<br>buildings | Leasehold<br>improvements | Computer<br>equipment | Fixtures,<br>fittings &<br>equipment | Total      |
|------------------------|----------------------------------|---------------------------|-----------------------|--------------------------------------|------------|
|                        | £                                | £                         | £                     | £                                    | £          |
| <b>Cost</b>            |                                  |                           |                       |                                      |            |
| At 1 September 2019    | 9,840,800                        | 191,615                   | 229,171               | 91,543                               | 10,353,129 |
| Transfer on conversion | -                                | 154,158                   | 65,957                | 106,658                              | 326,773    |
| Additions              | -                                | 235,676                   | 42,983                | 11,025                               | 289,684    |
| Disposals              | -                                | -                         | (5,450)               | -                                    | (5,450)    |
| At 31 August 2020      | 9,840,800                        | 581,449                   | 332,661               | 209,226                              | 10,964,136 |
| <b>Depreciation</b>    |                                  |                           |                       |                                      |            |
| At 1 September 2019    | 431,337                          | 18,053                    | 168,392               | 50,697                               | 668,479    |
| Transfer on conversion | -                                | 47,259                    | 58,070                | 51,669                               | 156,998    |
| On disposals           | -                                | -                         | (2,589)               | -                                    | (2,589)    |
| Charge for the year    | 100,637                          | 24,435                    | 29,501                | 11,205                               | 165,778    |
| At 31 August 2020      | 531,974                          | 89,747                    | 253,374               | 113,571                              | 988,666    |
| <b>Net book value</b>  |                                  |                           |                       |                                      |            |
| At 31 August 2020      | 9,308,826                        | 491,702                   | 79,287                | 95,655                               | 9,975,470  |
| At 31 August 2019      | 9,409,463                        | 173,562                   | 60,779                | 40,846                               | 9,684,650  |

Included in cost or valuation of land and buildings is leasehold land of £4,808,949 (2019 - £4,808,949).

The academy trust company occupies land (including buildings). The land is owned by Warwickshire County Council and the buildings are owned by Coventry Diocesan Board of Education. The landlords are the provider of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a lease. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church's contribution to provide State funded education in partnership with the State. The lease delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

### 14 Debtors

|                 | 2020<br>£      | 2019<br>£     |
|-----------------|----------------|---------------|
| Trade debtors   | 28,011         | 12,068        |
| VAT recoverable | 46,185         | 33,232        |
| Prepayments     | 48,392         | 18,155        |
| Accrued income  | 44,236         | 30,538        |
|                 | <u>166,824</u> | <u>93,993</u> |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

|           |   |                      |                      |
|-----------|---|----------------------|----------------------|
| <b>15</b> | <b>Creditors: amounts falling due within one year</b> | <b>2020</b>          | <b>2019</b>          |
|           |   | <b>£</b>             | <b>£</b>             |
|           | Trade creditors                                       | 106,982              | 131,918              |
|           | Other taxation and social security                    | 51,202               | 42,379               |
|           | Accruals  | 217,254              | 52,280               |
|           | Deferred income (see note 16)                         | 78,778               | 76,963               |
|           |   | <u>454,216</u>       | <u>303,540</u>       |
| <b>16</b> | <b>Deferred income</b>                                | <b>2020</b>          | <b>2019</b>          |
|           |   | <b>£</b>             | <b>£</b>             |
|           | Deferred income is included within:                   |                      |                      |
|           | Creditors due within one year                         | <u>78,778</u>        | <u>76,963</u>        |
|           | Deferred income at 1 September 2019                   | 76,963               | 74,954               |
|           | Released from previous years                          | (76,963)             | (74,954)             |
|           | Resources deferred in the year                        | <u>78,778</u>        | <u>76,963</u>        |
|           | <b>Deferred income at 31 August 2020</b>              | <u><b>78,778</b></u> | <u><b>76,963</b></u> |

Element of deferred income relates to UIFSM received early relating to the next financial year and contributions from parents towards future school trips and extracurricular activities.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

|                                     | Balance at<br>1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2020<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | 91,289                                 | 2,450,968        | (2,572,846)        | 38,722                                 | 8,133                                |
| MAT Development Fund                | -                                      | 20,160           | (20,160)           | -                                      | -                                    |
| Other DfE / ESFA grants             | -                                      | 319,112          | (319,112)          | -                                      | -                                    |
| Other government grants             | 3,002                                  | 196,148          | (199,150)          | -                                      | -                                    |
| Pupil Premium                       | -                                      | 141,396          | (140,709)          | -                                      | 687                                  |
| PE & Sport Premium                  | 24,553                                 | 58,132           | (22,599)           | -                                      | 60,086                               |
|                                     | <u>118,844</u>                         | <u>3,185,916</u> | <u>(3,274,576)</u> | <u>38,722</u>                          | <u>68,906</u>                        |
| Funds excluding pensions            | 118,844                                | 3,185,916        | (3,274,576)        | 38,722                                 | 68,906                               |
| Pension reserve                     | (999,000)                              | -                | (615,000)          | (33,000)                               | (1,647,000)                          |
|                                     | <u>(880,156)</u>                       | <u>3,185,916</u> | <u>(3,889,576)</u> | <u>5,722</u>                           | <u>(1,578,094)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| DfE group capital grants            | 9,684,650                              | -                | 131,117            | -                                      | 9,815,767                            |
| Devolved Formula Capital            | 24,826                                 | 19,673           | (43,181)           | 13,339                                 | 14,657                               |
| Condition Improvement Fund          | 55,714                                 | 29,528           | (75,648)           | -                                      | 9,594                                |
|                                     | <u>9,765,190</u>                       | <u>49,201</u>    | <u>12,288</u>      | <u>13,339</u>                          | <u>9,840,018</u>                     |
| <b>Total restricted funds</b>       | <u>8,885,034</u>                       | <u>3,235,117</u> | <u>(3,877,288)</u> | <u>19,061</u>                          | <u>8,261,924</u>                     |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| General funds                       | 438,938                                | 147,467          | 85,427             | (52,061)                               | 619,771                              |
| <b>Total funds</b>                  | <u>9,323,972</u>                       | <u>3,382,584</u> | <u>(3,791,861)</u> | <u>(33,000)</u>                        | <u>8,881,695</u>                     |



# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

(Continued)

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

#### Unrestricted funds

General unrestricted funds relate to funds that are expendable at the discretion of the Directors in furtherance of the charity's aims and objectives.

#### Restricted Revenue Funds

The General Annual Grant (GAG) fund relates to income received from the ESFA in order to cover the normal running costs of the Academy. It also includes the surplus of funds received on conversion from Local Authority control not relating to capital fixed assets. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

The Pupil Premium fund relates to additional funding from the ESFA to support the disadvantaged pupils of the school and close the attainment gap between them and their peers.

The Special Educational Needs fund relates to income received from Warwickshire County Council to assist pupils with special educational needs.

The PE & Sports Premium fund relates to additional funding from the ESFA to help primary schools improve the quality of the PE and sport activities they offer their pupils.

The MAT Development and Improvement Fund relates to ESFA funding which can be used to cover legal and professional costs associated with improving or expanding the Multi-Academy Trust, wages and training of the leadership team and costs of establishing methods of monitoring pupil performance.

The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the ESFA.

#### Restricted Fixed Asset Funds

Restricted fixed asset funds relate to the tangible fixed assets owned by the Academy.

Devolved Formula Capital fund relate to funding received for the purposes of purchasing fixed assets.

Conditional Improvement Fund relates to a specific grant received to fund new school fencing and electric gates at St Nicholas.

#### **Transfers**

During the year the following transfers between funds were made:

- £52,061 transferred from unrestricted funds to support the GAG deficit;
- £13,339 transferred from GAG to general fixed asset funds due to tangible fixed asset additions funded out of GAG.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

(Continued)

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

|   | Balance at<br>1 September<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
|---|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>         |  |                  |                    |  |                                      |
| General Annual Grant (GAG)              | 126,316                                | 2,626,048        | (2,623,894)        | (37,181)                               | 91,289                               |
| Other government grants                 | -                                      | 40,000           | (36,998)           | -                                      | 3,002                                |
| Pupil Premium                           | 14,247                                 | 131,791          | (146,038)          | -                                      | -                                    |
| Special Educational Needs               | -                                      | 56,219           | (56,219)           | -                                      | -                                    |
| PE & Sport Premium                      | 13,998                                 | 53,890           | (43,335)           | -                                      | 24,553                               |
| MAT Development and<br>Improvement Fund | -                                      | 38,008           | (38,008)           | -                                      | -                                    |
|   | <u>154,561</u>                         | <u>2,945,956</u> | <u>(2,944,492)</u> | <u>(37,181)</u>                        | <u>118,844</u>                       |
| Funds excluding pensions                | (633,000)                              | -                | (100,000)          | (266,000)                              | (999,000)                            |
|   | <u>(478,439)</u>                       | <u>2,945,956</u> | <u>(3,044,492)</u> | <u>(303,181)</u>                       | <u>(880,156)</u>                     |
| <b>Restricted fixed asset funds</b>     |  |                  |                    |  |                                      |
| General Fixed asset funds               | 9,674,546                              | -                | (162,737)          | 172,841                                | 9,684,650                            |
| Devolved Formula Capital                | 8,304                                  | 50,258           | (2,406)            | (31,330)                               | 24,826                               |
| Condition Improvement Fund              | -                                      | 160,044          | -                  | (104,330)                              | 55,714                               |
|   | <u>9,682,850</u>                       | <u>210,302</u>   | <u>(165,143)</u>   | <u>37,181</u>                          | <u>9,765,190</u>                     |
| <b>Total restricted funds</b>           | <u>9,204,411</u>                       | <u>3,156,258</u> | <u>(3,209,635)</u> | <u>(266,000)</u>                       | <u>8,885,034</u>                     |
| <b>Unrestricted funds</b>               |  |                  |                    |  |                                      |
| General funds                           | 273,261                                | 165,677          | -                  | -                                      | 438,938                              |
| Library Fund                            | 3,759                                  | -                | (3,759)            | -                                      | -                                    |
|   | <u>277,020</u>                         | <u>165,677</u>   | <u>(3,759)</u>     | <u>-</u>                               | <u>438,938</u>                       |
| <b>Total funds</b>                      | <u>9,481,431</u>                       | <u>3,321,935</u> | <u>(3,213,394)</u> | <u>(266,000)</u>                       | <u>9,323,972</u>                     |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

(Continued)

#### Total funds analysis by academy

|  | 2020<br>£   | 2019<br>£ |
|--|-------------|-----------|
| Fund balances at 31 August 2020 were allocated as follows: |             |           |
| St Nicholas C of E Primary                                 | 329,452     | 324,313   |
| Coughton C of E Primary                                    | 126,025     | 125,881   |
| Temple Grafton C of E Primary                              | 88,463      | 56,869    |
| Henley in Arden  | 85,885      | -         |
| Central services   | 58,852      | 50,719    |
| Total before fixed assets fund and pension reserve         | 688,677     | 557,782   |
| Restricted fixed asset fund                                | 9,840,018   | 9,765,190 |
| Pension reserve  | (1,647,000) | (999,000) |
| Total funds  | 8,881,695   | 9,323,972 |

#### Total cost analysis by academy

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

|                                  | Teaching and<br>educational<br>support staff<br>£ | Other support<br>staff costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------------------|---|-----------------------------------|------------------------------|---|--------------------|--------------------|
| St Nicholas C of E Primary       | 1,340,562   | 125,823                           | 85,793                       | 257,172                                       | 1,809,350          | 1,757,312          |
| Coughton C of E Primary          | 524,738   | 43,366                            | 32,950                       | 118,659                                       | 719,713            | 642,873            |
| Temple Grafton C of E<br>Primary | 353,928   | 59,730                            | 37,762                       | 62,893  | 514,313            | 476,111            |
| Henley in Arden                  | 137,896   | 21,445                            | 7,158                        | 24,444  | 190,943            | -                  |
| Central services                 | (48,530)  | 31,503                            | 2,718                        | 57,565  | 43,256             | 74,361             |
|                                  | 2,308,594   | 281,867                           | 166,381                      | 520,733                                       | 3,277,575          | 2,950,657          |
| Depreciation                     |   |                                   |                              |   | 163,856            | 162,737            |
| Pension reserve movements        |   |                                   |                              |   | 157,000            | 100,000            |
|                                  |   |                                   |                              |   | 3,598,431          | 3,213,394          |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Analysis of net assets between funds

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£ | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| <b>Fund balances at 31 August 2020 are represented by:</b> |                            |                                   |                  |                     |
| Tangible fixed assets                                      | -                          | -                                 | 9,975,470        | 9,975,470           |
| Current assets   | 619,771                    | 387,670                           | -                | 1,007,441           |
| Creditors falling due within one year                      | -                          | (318,764)                         | (135,452)        | (454,216)           |
| Defined benefit pension liability                          | -                          | (1,647,000)                       | -                | (1,647,000)         |
| <b>Total net assets</b>                                    | <b>619,771</b>             | <b>(1,578,094)</b>                | <b>9,840,018</b> | <b>8,881,695</b>    |

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£ | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| <b>Fund balances at 31 August 2019 are represented by:</b> |                            |                                   |                  |                     |
| Tangible fixed assets                                      | -                          | -                                 | 9,684,650        | 9,684,650           |
| Current assets   | 438,938                    | 315,648                           | 187,276          | 941,862             |
| Creditors falling due within one year                      | -                          | (199,210)                         | (104,330)        | (303,540)           |
| Defined benefit pension liability                          | -                          | (999,000)                         | -                | (999,000)           |
| <b>Total net assets</b>                                    | <b>438,938</b>             | <b>(882,562)</b>                  | <b>9,767,596</b> | <b>9,323,972</b>    |

### 19 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31st March 2016, and that of the LGPS related to the period ended 31st March 2019.

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

#### Teachers' Pension Scheme

##### Introduction

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

The TPS is an unfunded scheme to which both 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.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 19 Pensions and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £295,179 (2019 - £196,788).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below.

The agreed contribution rates for future years are 24.4% for employers and between 5.5% and 12.5% depending on the level of salary earned for employees.

As described in note the LGPS obligation relates to the employees of the Multi-Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi-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 18th July 2013.

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pensions and similar obligations

(Continued)

#### Valuation of LGPS provision

The amounts recognised in the balance sheet are as follows:

|  | 2020<br>£   | 2019<br>£   |
|--|-------------|-------------|
| Present value of defined benefit obligations       | (3,469,000) | (2,075,000) |
| Fair value of the Academy's share of scheme assets | 1,822,000   | 1,076,000   |
| Academy's share of LGPS net deficit                | (1,647,000) | (999,000)   |

#### Total contributions made

|                          | 2020<br>£ | 2019<br>£ |
|--------------------------|-----------|-----------|
| Employer's contributions | 132,000   | 103,000   |
| Employees' contributions | 32,000    | 26,000    |
| Total contributions      | 164,000   | 129,000   |

#### Principal actuarial assumptions

|  | 2020<br>% | 2019<br>% |
|--|-----------|-----------|
| Rate of increases in salaries            | 3.1       | 2.9       |
| Rate of increase for pensions in payment | 2.3       | 2.3       |
| Discount rate                            | 1.7       | 1.8       |

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

|                      | 2020<br>Years | 2019<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 21.6          | 21.4          |
| - Females            | 23.8          | 23.6          |
| Retiring in 20 years |               |               |
| - Males              | 22.5          | 22.4          |
| - Females            | 25.4          | 25.0          |

Scheme liabilities would have been affected by changes in assumptions as follows:

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pensions and similar obligations

(Continued)

| The Multi-Academy Trust's share of the assets in the scheme   | 2020<br>Fair value<br>£ | 2019<br>Fair value<br>£ |
|---|-------------------------|-------------------------|
| Equities  | 1,093,000               | 656,360                 |
| Bonds   | 456,000                 | 279,760                 |
| Cash  | 36,440                  | 10,760                  |
| Property  | 236,560                 | 129,120                 |
| Total market value of assets                                  | 1,822,000               | 1,076,000               |
| Actual return on scheme assets - gain/(loss)                  | (28,000)                | 59,000                  |
| Amounts recognised in the statement of financial activities   | 2020<br>£               | 2019<br>£               |
| Current service cost  | 92,667                  | 54,667                  |
| Interest cost   | 21,000                  | 18,000                  |
| Benefit changes, curtailments and settlements gains or losses | 46,333                  | 27,333                  |
| Total operating charge  | 160,000                 | 100,000                 |
| Changes in the present value of defined benefit obligations   | 2020<br>£               | 2019<br>£               |
| Obligations at 1 September 2019                               | 2,075,000               | 1,530,000               |
| Transferred in on existing academies joining the trust        | 1,082,000               | -                       |
| Current service cost  | 271,000                 | 185,000                 |
| Interest cost   | 45,000                  | 45,000                  |
| Employee contributions  | 32,000                  | 26,000                  |
| Actuarial (gains)/losses:                                     |                         |                         |
| - changes in financial assumptions                            | 90,000                  | 414,000                 |
| - changes in demographic assumptions                          | (34,000)                | (116,000)               |
| - other experience adjustments                                | (75,000)                | -                       |
| Benefits paid   | (17,000)                | (9,000)                 |
| At 31 August 2020   | 3,469,000               | 2,075,000               |

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pensions and similar obligations

(Continued)

#### Changes in the fair value of the Multi-Academy Trust's share of scheme assets

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Assets at 1 September 2019                                    | 1,076,000        | 897,000          |
| Transferred in on existing academies joining the trust        | 627,000          | -                |
| Interest income   | 24,000           | 27,000           |
| Actuarial gains/(losses):                                     |                  |                  |
| - return on assets excluding amounts included in net interest | (52,000)         | 32,000           |
| Employer contributions  | 132,000          | 103,000          |
| Employee contributions  | 32,000           | 26,000           |
| Benefits paid   | (17,000)         | (9,000)          |
| At 31 August 2020   | <u>1,822,000</u> | <u>1,076,000</u> |

### 20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

|  | 2020<br>£      | 2019<br>£      |
|--|----------------|----------------|
| Net (expenditure)/income for the reporting period (as per the statement of financial activities) | (409,277)      | 108,541        |
| Adjusted for:  |                |                |
| Net deficit on transfer of academy in the trust  | 193,430        | -              |
| Capital grants from DfE and other capital income   | (49,201)       | (210,302)      |
| Investment income receivable   | (568)          | (371)          |
| Defined benefit pension costs less contributions payable   | 139,000        | 82,000         |
| Defined benefit pension scheme finance cost  | 21,000         | 18,000         |
| Depreciation of tangible fixed assets  | 165,778        | 162,737        |
| Profit on disposal of fixed assets   | (1,923)        | -              |
| (Increase)/decrease in debtors   | (72,831)       | 96,217         |
| Increase in creditors  | 150,676        | 105,176        |
| Stocks, debtors and creditors transferred on conversion  | (23,450)       | -              |
| Net cash provided by operating activities  | <u>112,634</u> | <u>361,998</u> |

### 21 Analysis of changes in net funds

|      | 1 September<br>2019<br>£ | Cash flows<br>£ | 31 August<br>2020<br>£ |
|------|--------------------------|-----------------|------------------------|
| Cash | <u>847,869</u>           | <u>(7,252)</u>  | <u>840,617</u>         |



# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 22 Commitments under operating leases

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

|                                   | 2020<br>£    | 2019<br>£     |
|-----------------------------------|--------------|---------------|
| Amounts due within one year       | 2,239        | 9,696         |
| Amounts due in two and five years | 1,525        | 3,082         |
|                                   | <u>3,764</u> | <u>12,778</u> |

### 23 Capital commitments

|   | 2020<br>£      | 2019<br>£     |
|---|----------------|---------------|
| Expenditure contracted for but not provided in the accounts | <u>222,152</u> | <u>67,920</u> |

### 24 Related party transactions

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

### 25 Members' liability

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

# ARDEN FOREST C OF E MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 26 Transfer of existing academies into the Multi-Academy Trust

On 1 June 2020, Henley in Arden C of E Primary school joined Arden Forest C of E Multi Academy Trust (MAT). All assets, liabilities, contracts and staff have been transferred to the MAT. A breakdown below of net assets which have been transferred on the 1 June 2020.

|                                 | Transfer in<br>recognised<br>£ |
|---------------------------------|--------------------------------|
| <b>Net liabilities acquired</b> |                                |
| Leasehold land and buildings    | 106,899                        |
| Other tangible fixed assets     | 62,876                         |
| Accruals and deferred income    | (35,336)                       |
| Trade creditors                 | (5,959)                        |
| Cash and cash equivalents       | 115,245                        |
| Trade debtors                   | 2,546                          |
| Pension fund                    | (455,000)                      |
| Other debtors                   | 597                            |
| Prepayments and accrued income  | 14,702                         |
| Total net liabilities           | <u>(193,430)</u>               |

There were no fair value adjustments required to the values reported by the transferring trust.