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SHAW PRIMARY ACADEMY

(A company limited by guarantee)

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SHAW PRIMARY ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
(A company limited by guarantee)

FOR THE YEAR ENDED 31 AUGUST 2020

SHAW PRIMARY ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
(A company limited by guarantee)

FOR THE YEAR ENDED 31 AUGUST 2020

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SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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SHAW PRIMARY ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Burton K Rees (resigned 28 October 2019) J Seddon C Williams (resigned 31 July 2020) S Sweeting (appointed 23 September 2020)
Trustees	M Awolola D Bluemore C Burton D Copping, Accounting Officer T Procter K Rees (resigned 28 October 2019) S Sweeting, Chair C Tomlinson C Williams, Chair (resigned 31 July 2020) J Eaglen, Vice Chair J Seddon H Rogers (appointed 23 September 2020) Szilvia Serer (appointed 23 September 2020)
Company registered number	8333159
Company name	Shaw Primary Academy
Principal and registered office	Shaw Primary School Avon Green South Ockendon Essex RM15 5QJ
Company secretary	L Jones
Accounting Officer	D Copping
Senior management team	D Copping, Headteacher C Arnott, Deputy Headteacher A Vorster, Assistant Headteacher
Independent auditors	MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Bankers

Lloyds TSB Bank Plc
1-3 Market Place
Town Centre
Romford
Essex
RM1 3AA

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in South Ockendon. It has a pupil capacity of 420 and had a roll of 406 in the school census on October 2019. There is also a 52 place Nursery which currently has 31 pupils on roll.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of Shaw Primary Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Shaw Primary Academy.

Details of the Trustees who served during the , and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

d. Method of recruitment and appointment or election of Trustees

Governor recruitment is through a combination of approaches, one being the co option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate.

If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure.

The Chair and Vice Chair are elected to the position annually.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The school provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

f. Organisational structure

The Shaw Primary Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as the strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements. The Headteacher is the Accounting Officer and is supported by the senior leadership team. The Governing Body has delegated the day to day running of the Academy to the Headteacher and while it has retained responsibility for certain aspects of governance, the majority of roles and responsibilities are delegated to the Committees, as defined in the school's Standing Orders.

g. Arrangements for setting pay and remuneration of key management personnel

Staff pay is affected by legislation, and national and local pay agreements, which are adhered to by Trustees when determining pay levels of key management personnel. Decisions comply with the School Teachers' Pay & Conditions Document (STPCD) and the accompanying statutory guidance. The Headteacher is responsible for determining the starting salary, and for making pay progression decisions, for posts on the Leadership and Lead Practitioner Pay Ranges. Such decisions will be ratified by the Trustees. The headteacher's pay is subject to performance management undertaken by members of the board of Trustees and an external independent advisor, any pay awards are ratified by the Trustees. The Trustees do not receive any remuneration for the work with the academy.

h. Related parties and other connected charities and organisations

Shaw Primary Academy is a standalone converter academy and as such is not part of a wider network.

i. Trade union facility time

The Trust has one staff member who is a Union Rep but no Facility time has either been claimed or accounted for during the year.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Objectives and activities

a. Objects and aims

Our overall aim is to provide a stimulating environment which enables all children to enjoy learning and reach their individual potential.

Our general aims in relation to learning are:

- to provide a broad, balanced, relevant, stimulating and differentiated curriculum which is accessible to all children;
- to support each pupil in reaching his/her individual potential;
- to enable all children to progress by the use of suitable and flexible structured activities;
- to encourage a high level of concentration through the provision of purposeful activities in an atmosphere of quiet calm;
- to achieve high standards of work and behaviour through building good relationships and developing a sense of responsibility;
- to encourage mutual respect and trust between adults and children
- to create a welcoming atmosphere;
- to encourage parents/carers to take an active part in their child's education both at home and school;
- to increase an awareness of, and sensitivity towards others;
- to liaise effectively with pre-school groups and secondary schools, paying particular attention to continuity of the curriculum and progress of each pupil.

The school is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

b. Objectives, strategies and activities

The School Development Plan has been tailored specifically to meet the overall objects and aims of the school, as outlined above. It is constantly reviewed and the key priorities are updated. It covers all aspects of achievements and standards across the curriculum; pupils progress, pupils health, behaviour and wellbeing; staff and management; premises and resources; community and promotion; and finance.

c. Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

d. Volunteers

The Academy is grateful for the unstinting efforts of its volunteers, mainly parents and carers, who are involved in supporting the teaching and learning of the children. The Academy does not record a financial value for this time within the accounts.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Strategic report

Achievements and performance

a. Key performance indicators

The academy was subject to inspection by OFSTED in November 2019 and was deemed to be providing Good provision for past and current pupils, agreeing that the leadership team has maintained the good quality of education in the school since the last inspection. End of key stage outcomes were not recorded or collected this year due to the COVID 19 pandemic.

The academy continues to maintain a healthy financial position and compares well to national benchmarking when setting budgets for staffing costs and other non-negotiable spending.

Key Financial Performance Indicators

	<u>2020</u>	<u>2019</u>
Staff costs as a % of GAG	114%	107%
Staff costs as a % of Total Income	83%	82%

Our staffing costs have increased year on year, our funded income decreased quite significantly, comparison shown in financial statements, for 19/20. Our expected staffing costs for 20/21 are estimated to be £1,906,337 and with reserves of approximately £377,000 we are able to sustain staffing for 2.5 months if all funding was to cease. We continue to review our staffing costs and compare against local and national benchmarks to ensure our spending, in this significant area, is sustainable.

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Strategic report (continued)

Financial review

a. Overview

The majority of the Academy's income is derived from the Education and Skills Funding Agency (ESFA), (formerly the EFA). The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the ESFA and local authority; all these grants are shown as restricted income.

During the period ended 31st August 2020, total expenditure of £2,522,671 was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period was £247,893.

At 31st August 2020 the net book value of fixed assets was £3,930,313. Movements in tangible fixed assets are shown in note 14 in the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the academy.

The academy held fund balances at 31st August 2020 of £2,535,861 comprising £2,268,711 of restricted funds and £267,150 of unrestricted general funds. Of the restricted funds, £3,944,483 is represented by tangible fixed assets and £110,228 of unspent fund carried forward. The pension reserve which is considered part of the restricted funds was £1,786,000 in deficit.

b. Reserves policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure. However £50,889 from last year's reserves have been allocated to the budget of the coming year.

In response to the national and local teacher recruitment crisis, Trustees plan to hold some funds in reserve to refurbish the school bungalow currently inhabited by the Caretaker. Once the caretaker retires and vacates the bungalow, the refurbished home can be used as a recruitment and retention incentive offer subsidised housing for teachers willing to relocate to the area. Trustees estimate the cost of the refurbishment, including new windows and roof, to be in the region of £150,000.

Finally, we intend to reserve funds at an estimated maximum cost of £25,000 to finance the replacement of staff laptops and interactive whiteboards that are coming to the end of their warranty period and expected lifespan.

The academy's current level of unrestricted and restricted reserves (total funds less the amount held in fixed assets) is £377,379. This has been built up from balances transferred from the predecessor school. Surpluses built up by careful control of GAG expenditure since conversion to academy amount to £83,777. The cash balance of the academy has been very healthy all year, ending the year with a balance of £477,652. The directors have determined that in addition to funds earmarked for the projects detailed above, they should hold a contingency equivalent to £150,000 and all other surplus funds in reserve to fund additional cost related to COVID 19 which are currently unknown but may include staff cover in addition to cleaning costs already incurred.

c. Investment policy

The charitable company's current policy is to invest surplus funds in short term cash deposits. There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

d. Principal risks and uncertainties

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

Fundraising

Funds for the school are raised through a range of activities including performances, discos, bazaars, school photos, book fairs Christmas cards making and fun days. Funds are also raised for charities such as Autism Awareness, Jeans for Genes, Macmillan Cancer, Young Carers etc.

Funds are monitored by Trustees through regular visits from the Finance Governor with delegated responsibility for oversight, through termly checks and signing of monthly bank statements and reconciliation by the Chair and annually as part of budget setting and presentation of end of year auditing.

No complaints about fundraising have been received. All fund raising activities are voluntary, no records of individual contributions are kept and there are no procedures to pursue those who choose not to contribute.

Plans for future periods

The School Development Plan establishes the priorities for the coming year. The purpose of the plan is to identify how we can further improve and develop the work of the school, how we will manage change and how we can make best use of resources and new opportunities available to us. Priorities are identified in relation to the extent to which they, ensure all pupils make sufficient progress and achieve age related outcomes in line with the National Curriculum and Interim Teacher Assessment Frameworks; fine tune and embed current assessment procedures in Nursery and Reception, whilst developing more specific systems for the Foundation subjects and Science.

We will also continue to invest in resources to support reading to embed and enhance learning and further resources that will support higher level vocabulary and outdoor learning.

We have considered priorities and allocation of funds for the year ahead in light of, Outcomes from monitoring, evaluation and data analysis; Consultation with staff, children and other stakeholders; The National Curriculum and the OFSTED inspection framework September 2019; The National expectations in terms of pupil attainment and progress; The Rochford Review and other current educational policy and practice.

Funds held as custodian on behalf of others

The Shaw Primary Academy acts as custodians and holds funds for the Thurrock Primary Heads Association, these funds are shown in our accounts.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 25 November 2020 and signed on its behalf by:

S Sweeting - Chair of Trustees

.....
S Sweeting
Chair of Trustees

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

SHAW PRIMARY ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
M Awolola	4	5
D Bluemore	1	5
C Burton	2	5
D Copping, Accounting Officer	5	5
T Procter	4	5
S Sweeting, Chair	5	5
C Tomlinson	5	5
C Williams, Chair	3	5
J Eaglen, Vice Chair	2	5
J Seddon	5	5
H Rogers	0	0
Szilvia Serer	0	0

There have been some key changes to the composition of the governing body which are as follows:

Resignation of Chair in July 2020. New Chair appointed in September 2020.

In the year two governors resigned and two new members appointed (since the year-end).

Change of members since 31 August 2020, with two new members being appointed.

The governing body are confident that they maintained effective oversight of funds despite not attending 6 formal meetings. As a result of the national lockdown, governors 'met' via a 'reply all' email discussion in the absence of an effective virtual meeting policy and practice arrangement. Virtual meetings are now in place to ensure future meetings are held according to the agreed schedule.

Governance reviews

At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be measured and to help the school improve.

Termly, full governing body meetings dedicated to matters relating to finance and resources uphold their purpose is to manage the finances, premises and health and safety of the Academy. At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be monitored and to help the school improve.

Governors undertook a full skills audit review during the Spring Term of 2020. The board was able to demonstrate knowledge and skill in all areas of the audit.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Providing one to one and small group teaching for vulnerable pupils
- Employing a qualified teacher to providing specialist P.E. teachers across the school
- Purchasing an extensive collection of information books to embed and enhance learning across the curriculum
- Developing an outdoor learning programme including the purchase of 'Commando Jo's resources and planning tools. The impact of these strategies is reflected in our Good OFSTED inspection in November 2019.

Pupils are more aware of the value of reading in terms of enjoyment and learning and teachers report a better level of pupil input into lessons, including making suggestions, sharing ideas and asking questions. Pupil perception surveys and internal monitoring show pupil development in problem solving skills, team-work, innovation and resilience.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Havering Education Services as internal auditor.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On an annual basis, the internal auditor reports to the board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The reports were shared with the Governing Body during the year, and there were no material control issues arising.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 25 November 2020 and signed on their behalf by:

S Sweeting - Chair of Trustees

.....
S Sweeting
Chair of Trustees

D Copping - Accounting Officer

.....
D Copping
Accounting Officer

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

D Copping - Accounting Officer

D Copping
Accounting Officer
Date: 25 November 2020

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 25 November 2020 and signed on its behalf by:

S Sweeting - Chair of Trustees

.....
S Sweeting
Chair of Trustees

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Clive Smith

Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Registered Auditors

Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date: 07 December 2020

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shaw Primary Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Shaw Primary Academy's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Conclusion

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

MWS

MWS
Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date: 07 December 2020

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

	Note	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	4	-	8,883	10,423	19,306	309,113
Charitable activities		2,067,273	-	-	2,067,273	2,066,273
Other trading activities		-	150,359	37,539	187,898	61,846
Investments	7	-	-	301	301	383
Total income		2,067,273	159,242	48,263	2,274,778	2,437,615
Expenditure on:						
Charitable activities		2,307,960	131,429	83,282	2,522,671	2,492,864
Total expenditure		2,307,960	131,429	83,282	2,522,671	2,492,864
Net (expenditure)/income		(240,687)	27,813	(35,019)	(247,893)	(55,249)
Transfers between funds	18	(7,548)	7,548	-	-	-
Net movement in funds before other recognised gains/(losses)		(248,235)	35,361	(35,019)	(247,893)	(55,249)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	(284,000)	-	-	(284,000)	(148,000)
Net movement in funds		(532,235)	35,361	(35,019)	(531,893)	(203,249)
Reconciliation of funds:						
Total funds brought forward		(1,143,537)	3,909,123	302,169	3,067,755	3,271,004
Net movement in funds		(532,235)	35,361	(35,019)	(531,893)	(203,249)
Total funds carried forward		(1,675,772)	3,944,484	267,150	2,535,862	3,067,755

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 50 form part of these financial statements.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 8333159

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	3,930,313	3,684,931
		<u>3,930,313</u>	<u>3,684,931</u>
Current assets			
Debtors	15	102,988	104,325
Cash at bank and in hand		477,652	799,375
		<u>580,640</u>	<u>903,700</u>
Creditors: amounts falling due within one year	16	(174,262)	(136,579)
Net current assets		<u>406,378</u>	<u>767,121</u>
Total assets less current liabilities		<u>4,336,691</u>	<u>4,452,052</u>
Creditors: amounts falling due after more than one year	17	(14,830)	(7,297)
Net assets excluding pension liability		<u>4,321,861</u>	<u>4,444,755</u>
Defined benefit pension scheme liability	25	(1,786,000)	(1,377,000)
Total net assets		<u><u>2,535,861</u></u>	<u><u>3,067,755</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	3,944,483	3,909,123
Restricted income funds	18	110,228	233,463
		<u>4,054,711</u>	<u>4,142,586</u>
Restricted funds excluding pension asset	18	4,054,711	4,142,586
Pension reserve	18	(1,786,000)	(1,377,000)
Total restricted funds	18	<u>2,268,711</u>	<u>2,765,586</u>
Unrestricted income funds	18	267,150	302,169
Total funds		<u><u>2,535,861</u></u>	<u><u>3,067,755</u></u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 8333159

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

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

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue on 25 November 2020 and are signed on their behalf, by:

S Sweeting - Chair of Trustees

.....
S Sweeting
Chair of Trustees

D Copping - Accounting Officer

.....
D Copping
Accounting Officer

The notes on pages 25 to 50 form part of these financial statements.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	20	(155,115)	<i>(76,806)</i>
Cash flows from investing activities	21	(166,608)	<i>180,399</i>
Change in cash and cash equivalents in the year		(321,723)	<i>103,593</i>
Cash and cash equivalents at the beginning of the year		799,375	<i>695,782</i>
Cash and cash equivalents at the end of the year	22, 23	<u>477,652</u>	<i><u>799,375</u></i>

The notes on pages 25 to 50 form part of these financial statements

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

1. General information

The Academy Trust is a company limited by guarantee, it was incorporated in England and Wales. The registered office is Avon Green, South Ockendon, Essex RM15 5QJ.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Shaw Primary Academy meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.5 Government grants

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

2.6 Interest receivable

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

2.7 Taxation

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

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

2.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold property	- 2% straight line
Furniture and equipment	- 25% reducing balance
Computer equipment	- 3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

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

2.11 Liabilities

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

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

2.13 Operating leases

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.14 Pensions

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

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

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

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

The academy is a member of a multi-employer plan. Where it is not possible for the academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.15 Fund accounting

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

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

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

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

2.16 Concessionary loans

Concessionary loans are measured at the amount received, with the carrying amount adjusted for any repayments, accrued interest or impairments.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 judgment:

The only critical area of judgement, other than the LGPS pension scheme, is that of depreciation, rates of which are chosen where considered reasonable for the types of asset in question.

4. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational trips and visits	-	10,423	10,423	11,620
ESFA capital grants	8,883	-	8,883	297,493
Total 2020	8,883	10,423	19,306	309,113
Total 2019	297,493	11,620	309,113	

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

5. Funding for the academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	1,616,481	1,616,481	1,655,365
Other DfE/EFA grants	329,768	329,768	271,692
Local authority grants	121,024	121,024	139,216
Total 2020	<u>2,067,273</u>	<u>2,067,273</u>	<u>2,066,273</u>
<i>Total 2019</i>	<u>2,066,273</u>	<u>2,066,273</u>	

6. Income from other trading activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Catering income	-	22,366	22,366	37,675
Services provided	-	2,500	2,500	4,495
School sales	-	11,988	11,988	18,991
Lettings income	-	685	685	685
Insurance claim income	150,359	-	150,359	-
Total 2020	<u>150,359</u>	<u>37,539</u>	<u>187,898</u>	<u>61,846</u>
<i>Total 2019</i>	<u>-</u>	<u>61,846</u>	<u>61,846</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Short term deposits	<u>301</u>	<u>301</u>	<u>383</u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational Operations:					
Direct costs	1,637,233	-	53,242	1,690,475	1,607,301
Allocated support costs	401,172	244,204	186,820	832,196	885,562
Total 2020	<u>2,038,405</u>	<u>244,204</u>	<u>240,062</u>	<u>2,522,671</u>	<u>2,492,863</u>
<i>Total 2019</i>	<u>1,927,576</u>	<u>252,961</u>	<u>312,326</u>	<u>2,492,863</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Operations	<u>1,690,475</u>	<u>832,196</u>	<u>2,522,671</u>	<u>2,492,863</u>
<i>Total 2019</i>	<u>1,607,301</u>	<u>885,562</u>	<u>2,492,863</u>	

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,637,233	1,637,233	1,521,518
Educational supplies	40,564	40,564	58,105
Staff development	1,781	1,781	8,106
Educational consultancy	4,804	4,804	12,354
Other direct costs	6,093	6,093	7,218
Total 2020	<u>1,690,475</u>	<u>1,690,475</u>	<u>1,607,301</u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension finance costs	25,000	25,000	28,000
Staff costs	401,172	401,172	406,059
Depreciation	131,429	131,429	135,264
Maintenance of premises	44,323	44,323	46,199
Cleaning	32,192	32,192	35,300
Rent and rates	4,234	4,234	7,655
Energy costs	32,025	32,025	28,543
Insurance	28,163	28,163	30,301
Security and transport	1,033	1,033	2,313
Catering	83,282	83,282	94,285
Bank interest and charges	-	-	154
Legal and professional fees	26,623	26,623	42,674
Other support costs	22,720	22,720	28,815
Total 2020	<u>832,196</u>	<u>832,196</u>	<u>885,562</u>

During the year ended 31 August 2020, the academy incurred the following Governance costs:

£8,000 (2019 - £8,000) included within the table above in respect of audit services.

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	<i>2019 £</i>
Depreciation of tangible fixed assets	131,429	135,264
Fees paid to auditors for:		
- audit	<u>8,000</u>	<u>8,000</u>

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,487,622	1,448,168
Social security costs	122,165	117,708
Pension costs	428,618	361,700
	<u>2,038,405</u>	<u>1,927,576</u>

b. Non-statutory/non-contractual staff payments

During the year an ex-gratia payment of £5,000 was made to the Headteacher as a bonus for her continual hard work and commitment to the school, agreed by the full governing body.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	24	24
Administration and support	55	57
Management	3	3
	<u>82</u>	<u>84</u>

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

11. Staff (continued)

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2020, pension contributions for this employee amounted to £18,918 (2019 - £12,342).

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £303,489 (2019 £289,128).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

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

		2020 £	2019 £
D Copping, Accounting Officer	Remuneration	75,000 -	70,000 -
		80,000	75,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000
C Tomlinson	Remuneration	35,000 -	35,000 -
		40,000	40,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
T Procter	Remuneration	10,000 -	10,000 -
		15,000	15,000
	Pension contributions paid	0 - 5,000	0 - 5,000
K Rees (resigned 28 October 2019)	Remuneration	0 - 5,000	10,000 -
			15,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

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

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

14. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	3,889,301	64,159	729,112	169,494	4,852,066
Additions	141,931	232,398	-	2,482	376,811
Disposals	(13,790)	-	-	-	(13,790)
Transfers between classes	296,557	(296,557)	-	-	-
At 31 August 2020	<u>4,313,999</u>	<u>-</u>	<u>729,112</u>	<u>171,976</u>	<u>5,215,087</u>
Depreciation					
At 1 September 2019	422,683	-	582,226	162,227	1,167,136
Charge for the year	77,510	-	36,722	4,234	118,466
On disposals	(827)	-	-	-	(827)
At 31 August 2020	<u>499,366</u>	<u>-</u>	<u>618,948</u>	<u>166,461</u>	<u>1,284,775</u>
Net book value					
At 31 August 2020	<u>3,814,633</u>	<u>-</u>	<u>110,164</u>	<u>5,515</u>	<u>3,930,312</u>
At 31 August 2019	<u>3,466,618</u>	<u>64,159</u>	<u>146,887</u>	<u>7,267</u>	<u>3,684,931</u>

The academy's transactions relating to land and buildings included the disposal of a Portacabin due to a fire in September 2019. The net book value of the Portacabin at the date of disposal was £12,963.

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	160	5,450
Other debtors	20,261	18,423
Prepayments and accrued income	82,567	80,452
	<u>102,988</u>	<u>104,325</u>

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

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	2,744	1,459
Trade creditors	11	1,197
Other taxation and social security	29,211	27,131
Other creditors	35,630	30,042
Accruals and deferred income	106,666	76,750
	<u>174,262</u>	<u>136,579</u>
	2020 £	2019 £
Deferred income at 1 September 2019	45,016	29,695
Resources deferred during the year	30,306	45,016
Amounts released from previous periods	(45,016)	(29,695)
	<u>30,306</u>	<u>45,016</u>

At the balance sheet date the school was holding income received in advance for:
 Universal Infant Free School Meals £26,065 (2019 - £27,000)
 Other government grants £4,241 (2019 - £4,175)
 Early years funding £Nil (2019 - £13,841)

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

	2020 £	2019 £
Other loans	14,830	7,297

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	3,854	1,459

The above relates to two authorised Salix loans. The loans are repayable over 8 years at 0% interest.

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

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted general funds	302,169	48,263	(83,282)	-	-	267,150
Restricted general funds						
General annual grant	202,443	1,616,481	(1,614,599)	(120,548)	-	83,777
Local authority grants	-	121,024	(121,024)	-	-	-
Other ESFA grants	-	156,389	(156,389)	-	-	-
Pupil premium	31,020	173,379	(177,948)	-	-	26,451
Pension reserve	(1,377,000)	-	(238,000)	113,000	(284,000)	(1,786,000)
	<u>(1,143,537)</u>	<u>2,067,273</u>	<u>(2,307,960)</u>	<u>(7,548)</u>	<u>(284,000)</u>	<u>(1,675,772)</u>
Restricted fixed asset funds						
Inherited fixed assets	2,251,370	-	(67,257)	-	-	2,184,113
ESFA capital grants	751,019	8,882	(15,550)	14,517	-	758,868
Capital expenditure from GAG	906,734	-	(48,622)	1,459	-	859,571
Insurance claim	-	150,359	-	(8,428)	-	141,931
	<u>3,909,123</u>	<u>159,241</u>	<u>(131,429)</u>	<u>7,548</u>	<u>-</u>	<u>3,944,483</u>
Total Restricted funds	<u>2,765,586</u>	<u>2,226,514</u>	<u>(2,439,389)</u>	<u>-</u>	<u>(284,000)</u>	<u>2,268,711</u>
Total funds	<u>3,067,755</u>	<u>2,274,777</u>	<u>(2,522,671)</u>	<u>-</u>	<u>(284,000)</u>	<u>2,535,861</u>

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

Restricted general funds and other restricted funds

These relate to the Academy's development and operational activities.

Restricted fixed asset fund

These grants relate to capital funding to carry out works of a capital nature

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

18. Statement of funds (continued)

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme

Transfer between funds

Funds have been transferred in respect of the following:

£1,459 has been transferred from the restricted fund to restricted fixed asset fund representing Salix loan repayments.

£8,428 has been transferred from the restricted fixed asset fund to restricted fund representing the balance from the insurance claim to be used for non-capitalised furniture that would have been damaged.

£14,517 has been transferred from the restricted fund to restricted fixed asset fund representing the additional funding for the CIF project (boiler works) funded by the Academy.

£113,000 has been transferred from GAG to the pension reserve representing employer contributions to the Local Government Defined Benefit Pension Scheme.

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

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

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted general funds	322,605	73,849	(94,285)	-	-	302,169
Restricted general funds						
General annual grant	269,054	1,655,365	(1,605,517)	(116,459)	-	202,443
Local authority grants	-	139,216	(139,216)	-	-	-
Other ESFA grants	-	85,957	(85,957)	-	-	-
Pupil premium	30,910	185,735	(185,625)	-	-	31,020
Pension reserve	(1,097,000)	-	(247,000)	115,000	(148,000)	(1,377,000)
	(797,036)	2,066,273	(2,263,315)	(1,459)	(148,000)	(1,143,537)
Restricted fixed asset funds						
Inherited fixed assets	2,324,659	-	(73,289)	-	-	2,251,370
ESFA capital grants	496,779	297,493	(43,253)	-	-	751,019
Capital expenditure from GAG	923,997	-	(18,722)	1,459	-	906,734
	3,745,435	297,493	(135,264)	1,459	-	3,909,123
Total Restricted funds	2,948,399	2,363,766	(2,398,579)	-	(148,000)	2,765,586
Total funds	3,271,004	2,437,615	(2,492,864)	-	(148,000)	3,067,755

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	3,930,313	-	3,930,313
Current assets	254,375	31,744	294,520	580,639
Creditors due within one year	(144,147)	(2,744)	(27,370)	(174,261)
Creditors due in more than one year	-	(14,830)	-	(14,830)
Provisions for liabilities and charges	(1,786,000)	-	-	(1,786,000)
Total	(1,675,772)	3,944,483	267,150	2,535,861

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	3,684,931	-	3,684,931
Current assets	356,041	232,948	314,711	903,700
Creditors due within one year	(122,578)	(1,459)	(12,542)	(136,579)
Creditors due in more than one year	-	(7,297)	-	(7,297)
Provisions for liabilities and charges	(1,377,000)	-	-	(1,377,000)
Total	(1,143,537)	3,909,123	302,169	3,067,755

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(247,893)	(55,249)
Adjustments for:		
Depreciation	131,429	135,264
Capital grants from DfE and other capital income	(168,426)	(253,417)
Interest receivable	(301)	(383)
Defined benefit pension scheme cost less contributions payable	100,000	104,000
Defined benefit pension scheme finance cost	25,000	28,000
Decrease/(increase) in debtors	1,336	(50,711)
Increase in creditors	3,740	15,690
Net cash used in operating activities	(155,115)	(76,806)

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	301	383
Purchase of tangible fixed assets	(335,335)	(73,401)
Capital grants from DfE Group	168,426	253,417
Net cash (used in)/provided by investing activities	(166,608)	180,399

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	477,652	799,375
Total cash and cash equivalents	477,652	799,375

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	799,375	(321,723)	-	477,652
Debt due within 1 year	(1,459)	175	(1,460)	(2,744)
Debt due after 1 year	(7,297)	(8,993)	1,460	(14,830)
	<u>790,619</u>	<u>(330,541)</u>	<u>-</u>	<u>460,078</u>

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>-</u>	<u>249,218</u>

25. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £215,455 (2019 - £143,051).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £141,000 (2019 - £145,000), of which employer's contributions totalled £113,000 (2019 - £115,000) and employees' contributions totalled £ 28,000 (2019 - £30,000). The agreed contribution rates for future years are 21.9 per cent for employers and 5.5-12.5 per cent for employees.

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

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.25	2.20
RPI increase	3.05	3.20

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23
Females	25.2	25.4

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(74)	(54)
Discount rate -0.1%	76	55
Mortality assumption - 1 year increase	(113)	(104)
Mortality assumption - 1 year decrease	109	100

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

Share of scheme assets

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

	2020 £	2019 £
Equities	801,000	700,000
Gilts	55,000	61,000
Corporate bonds	72,000	62,000
Property	100,000	89,000
Cash and other liquid assets	35,000	32,000
Alternative	150,000	109,000
Other managed funds	78,000	57,000
Total market value of assets	1,291,000	1,110,000

The actual return on scheme assets was £30,000 (2019 - £84,000).

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

	2020 £	2019 £
Current service cost	(212,000)	(197,000)
Past service cost	-	(22,000)
Interest cost	(25,000)	(28,000)
Administrative expenses	(1,000)	-
Total amount recognised in the Statement of financial activities	(238,000)	(247,000)

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

	2020 £	2019 £
At 1 September	2,487,000	2,065,000
Current service cost	212,000	219,000
Interest cost	46,000	54,000
Employee contributions	28,000	30,000
Actuarial losses	344,000	206,000
Benefits paid	(40,000)	(87,000)
At 31 August	3,077,000	2,487,000

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

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

	2020 £	2019 £
At 1 September	1,110,000	968,000
Return on assets less interest	9,000	58,000
Interest income	21,000	26,000
Actuarial gains	51,000	-
Employer contributions	113,000	115,000
Employee contributions	28,000	30,000
Benefits paid	(40,000)	(87,000)
Administration expenses	(1,000)	-
At 31 August	1,291,000	1,110,000

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

25. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2020.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

It is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it is assumed that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust but as the worst case scenario for the scheme as whole is expected to be in the region of be 0.025% no

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

25. Pension commitments (continued)

provision has been included within these financial statements.

26. Members' liability

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

27. Related party transactions

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

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

28. Controlling party

There is no ultimate controlling party.

29. Resources held for a third party

Movement of resources held on behalf of the Thurrock Primary Heads Association were as follows:

Resources received	£10,500
Resources expended	£3,978

At the year end £387 (2019 - £370) of other creditors related to the Thurrock Primary Heads Association.