REGISTERED COMPANY NUMBER: 08936256 (England and Wales)

Report of the Directors and Financial Statements for the Year Ended 31 August 2019 for Fairfield High School

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Fairfield High School

Contents of the Financial Statements
for the Year Ended 31 August 2019

Fairfield High School

Reference and Administrative Details
for the Year Ended 31 August 2019

MEMBERS	Mr S Vaughan Winter Mr J M Swift Mrs J V Archer Mrs P S James	
DIRECTORS	Mrs J V Archer (Vice-chair and Chair of Education Committee) Mrs P S James (Chair) Mr B Eacock Mr J T Edwards Mrs S Gaston (Headteacher/Accounting Officer) Mr S Hancorn (resigned 11.5.19) Mrs P Hart (became an Associate Director on 1.9.2019) Rev S Lockett (resigned 13.9.18) Mrs C Ford (became an Associate Director on 1.9.2019) Dr H Probert (appointed 19.9.18) Mr S Purse (Chair of Business Committee) Mrs J Johnston (appointed 12.12.18) (resigned 31.8.19)	
ASSOCIATE DIRECTORS	Mrs P Hart Mrs C Ford	
SENIOR LEADERSHIP TEAM	S Gaston J Conway D Kelly A Gallagher O Lloyd E Worsfold N Emmett P Hart	Headteacher Deputy Headteacher Deputy Headteacher SENDCo Assistant Headteacher Assistant Headteacher Director of Finance Senior Learning Manager
COMPANY NAME	Fairfield High School	
REGISTERED OFFICE	Peterchurch Hereford Herefordshire HR2 0SG	
REGISTERED COMPANY NUMBER	08936256 (England and Wales)	
SENIOR STATUTORY AUDITOR	Mr K M Tong FCCA, ACA	
AUDITORS	Thorne Widgery Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7BS	

SOLICITORS	Lanyon Bowdler Broadway House 32 - 35 Broad Street Hereford HR4 9AR
BANKERS	Lloyds Bank PLC 8 High Town Hereford HR4 7BS Santander Bridle Road Bootle Merseyside L30 4BG

Report of the Directors
for the Year Ended 31 August 2019

The directors present their report with the financial statements of the academy trust for the year ended 31 August 2019. The directors have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Academy Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

Fairfield is a small rural mixed 11-16 comprehensive school with 509 students on roll in November 2019, serving the Golden Valley and beyond. Over half of the students currently attending the school come from out of catchment, with 90% + students travelling in by bus or car. The school has grown by over 100 students since 2010 and continues to be oversubscribed every year.

The school has maintained a broad and balanced curriculum at both KS3 and KS4 and continues to teach vocational qualifications in Animal Care, Construction, Child Care and Sport. In May 2016 the Head Teacher became a National Leader in Education, meaning that the school was designated a National Support School. The Head Teacher has worked effectively at leadership level with other schools and continues to provide training and support to a number of underperforming schools. The leadership and teaching support and development offered externally has been praised by both HMI and Ofsted. In September 2017 Fairfield achieved Teaching School status, with the intention of developing the school's outreach work and working in partnership with the four primary schools in the Golden Valley and with Madley Primary School to form the Golden Valley Learning Alliance. In 2018-19 Fairfield led a county-wide initiative developing Science at KS3 following a successful SSIF bid from the DfE in partnership with Marlbrook Teaching Alliance.

In 2018-19 20% of students were on the SEND register and 19% eligible for Pupil Premium. The school is predominantly mono-cultural and works to promote diversity and inclusion, with a purpose-built inclusion centre run by non-teaching staff as a hub for working closely with outside agencies to support both individuals and groups of students.

Fairfield prides itself on meeting the needs of individual students and has a commitment to excellence - each child achieving their personal best. The school is regularly in the top three secondary schools in Herefordshire for GCSE results and has been recognized by the DfE as in the top 100 non-selective state schools in the country.

The school's unique atmosphere stems from a deeply rooted philosophy of inclusion and a sense of belonging, to the school, the community and the countryside. This is clearly illustrated by our free-range chickens which roam the site, our rare breed sheep, pigs and alpacas, birds and reptiles. All contribute directly to the curriculum and indirectly to promoting care, empathy and responsibility towards our community and our surroundings.

Public benefit

Fairfield has been judged Outstanding by Ofsted in all categories in successive inspections in 2006, 2009 and 2013. Its aims are to offer a broad and balanced curriculum to enable every young person to achieve academically, physically and socially - "empowering everyone to achieve their personal best". The School Development Plan 2018 -19 was focused on the main Ofsted areas: Teaching, Learning & Assessment; Personal development, Behaviour and Welfare; Outcomes; Leadership & Management. Each area has a number of focused school improvement priorities, which are delivered at a whole-school level and then in more detail at a Faculty / subject level. The SDP and Faculty Development Plans inform staff performance management priorities and targets, ensuring that all members of staff, at every level, are part of the school's drive for continuous improvement.

Fairfield High School

Report of the Directors
for the Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

2019 GCSE results placed Fairfield in the top three schools in Herefordshire based on the DfE's measures. 74% of students gained a standard pass (Level 4 or better) in both English and Maths and 49% achieved a strong pass (Level 5 or better) in both subjects. These figures are significantly above the county and national average. The Progress 8 measure was 0.4, meaning that the school is performing in the top 20% of all schools in the country.

The school has had a rising roll for the past 8 years; 503 students as at October 2018. This is an increase of 108 students in 8 years. The school is already over the 450 Planned Admission Number (PAN) and has limited capacity to admit many more students without significant building work to increase capacity. The school has plans for a new sports hall and classrooms to address this issue which are supported by the parish and county council but funding has yet to be secured. The school is significantly over subscribed every year and tries wherever possible to meet parental preferences.

The Ofsted report from October 2013 gives a detailed analysis of the school's strengths in every area.

Fundraising activities

The school has a small but active PTA which raises limited funds for transport to events etc. Other income largely arises from the school support work undertaken by the Head Teacher and some senior staff via the Teaching School.

Key financial performance indicators

These are covered throughout this report.

Financial review

Financial position

The directors have been mindful of the requirements of the Academies Financial Handbook 2018 and the Academies Accounts Direction 2018 to 2019 when preparing this report and financial statements.

The major element of funding for the academic year is based upon the student numbers recorded in the October census in the previous calendar year. As the school has an increasing student population, it has been necessary to increase the teaching staff numbers (and thus revenue expenditure) in advance of receiving funding appropriate to current student numbers.

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2019, out of total expenditure of £2,857,267 (2018: £2,971,540), £2,203,203 (2018: £2,264,500) was covered by recurrent grant funding from the DfE. The net expenditure before transfers and revaluations for the period was £4,927 (2018: £159,339).

At 31 August 2019, the net book value of fixed assets was £4,046,205 (2018: £4,080,418) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy and objectives

The aim is to maintain at least £250,000 of liquid assets to fund the delay between spending and receipt of grants and maintain a safety net to cover emergency spending.

STRATEGIC REPORT

Financial review

Reserves policy

The policy is to carry forward sufficient funds to meet the academy's long term aims and objectives without compromising its current operational activities. The deficit linked to the Local Government Pension Scheme is considered when assessing the position.

The Academy's current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) is £101,255 (2018: £97,822). The level of general restricted reserves is £478,087 (2018: £368,234).

Going concern

After making appropriate enquiries, the board of directors have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis is adopted in preparing the financial statements.

Principal risks and uncertainties

A risk analysis has been undertaken and updated for review by the directors. Consideration has been given to those risks linked to the school's reputation, operations and finances as well as its compliance with legislation. Those risks have been subjected to a probability study and risk ranking in order to identify the actions necessary to reduce or eliminate the risk consequences.

Future plans

The Academy continues to grow and has an ongoing programme of maintenance. The school has been unsuccessful in its bids to the DfE for a number of capital projects but is continuing to pursue this potential source of funding. The headteacher and governing body are actively engaged in discussions with the Local Authority with regard to Herefordshire's Capital Investment Strategy, but are not relying on financial support from them to fund any future developments, so continue to seek external funding streams.

The Academy will continue to look ahead to national and local curriculum developments to ensure that we are able to provide an appropriate education for all our learners. In addition the school will continue to provide top quality teaching and learning to ensure that numbers are maintained and the school is financially viable and sustainable for the long term.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are its primary governing documents. The charitable company is known as Fairfield High School. It was incorporated on 12 March 2014 and commenced as an academy from 1 May 2014.

Details of the directors who served throughout this period are included in the Reference and Administrative details on page 1.

Members' liability

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

Directors' Indemnities

Directors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the directors knew to be a breach of trust or breach of duty or which was committed by the directors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the directors in their capacity as directors of the Academy Trust. The limit of this indemnity is £5,000,000 and is provided by Zurich Municipal.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activities
These are described above in the Objectives and Activities section of this report.

Appointment of members and directors
The members comprise the Chair of Directors, other members appointed on incorporation and may also include such additional members as may be appointed by special resolution of the members. The minimum number of members is three and there is no maximum number.

The directors comprise up to ten directors appointed by the members, up to three staff directors, a minimum of two parent directors, the Headteacher and any co-opted directors. The minimum number of directors is three and there is no maximum number.

Staff directors may be appointed by the members through such process as they may determine but the number of staff directors plus the Headteacher shall not exceed one third of the total number of directors.

Parent directors are elected by the parents of registered pupils or, in certain circumstances, appointed by the directors.

The term of office for directors is four years and, subject to eligibility, directors may be re-appointed or re-elected.

Organisational structure
The structure consists of three levels: the directors, Senior Leadership Team and Heads of Faculty. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team is the Head Teacher, two Deputy Head Teachers, four Assistant Headteachers and the Director of Finance.

The school is led and managed via full directors' meetings and directors' committees meetings which take place at least on a termly basis; weekly Senior Leadership Team Meetings; monthly Head of Faculty meetings; whole staff meetings, faculty meetings and pastoral team meetings. There are also five In Service Training Days per year for all staff.

The following decisions are reserved to the directors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the directors, to approve the Annual Development Plan and budget. The directors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy and capital expenditure. Some financial responsibilities are delegated to the Finance & Premises Committee in accordance with its Terms of Reference and to the Headteacher. The directors have devolved responsibility for day to day management of the Academy to the Headteacher. The Headteacher will implement the policies laid down by the directors and report back to them on performance.

The Headteacher is the Accounting Officer.

Policies and procedures adopted for the induction and training of directors
The level of training provided for directors will be pursuant to their level of understanding and previous knowledge. Each new director meets with the Chair of Directors and the Headteacher, is given detailed information about the school on appointment and is regularly offered appropriate training via Herefordshire Director Services and the school. All directors are trained in appropriate safeguarding procedures.

Key management remuneration
The Headteacher has an additional payment to reflect the extra responsibility and workload associated with Executive Headship at Longtown Primary School.

Payments for additional work undertaken by the Headteacher as a School Improvement Partner or National Leader of Education are made directly to the school.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2019

Union officials were only internal representatives and did not undertake duties outside the school.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	51

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£
Total cost of facility time	0
Total pay bill	2,190,009
Percentage of the total pay bill spent on facilty time, calculated as:	
(total cost of facility time ÷ total pay bill) × 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	Not applicable

Related parties

The Headteacher is the Executive Headteacher of Longtown Primary School. The primary school has a service level agreement with Fairfield High School for the provision of the executive headship role. In addition Fairfield High School works supporting other schools and offering training. This has increased with the Teaching School status from September 2017. This has included work at the Herefordshire Leadership Conference; working closely with the Golden Valley primary schools on a regular basis, both as a group and with specific members of staff and subject areas; offering Inset to other Herefordshire Schools and working with Herefordshire schools which are underperforming. The Headteacher is also acting as School Improvement Partner to two other Herefordshire schools and is a member of the Herefordshire School Improvement Partnership and the local authority Capital Strategy Group. The Headteacher has also been designated as a National Leader of Education and the school as a National Support School in May 2016. The school became a Teaching School in September 2017.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

Fairfield High School

Report of the Directors
for the Year Ended 31 August 2019

AUDITORS
The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Report of the directors, incorporating a strategic report, was approved by order of the board of directors, on .....18/12/19........................ and signed on its behalf by:

PS James
....
Mrs P S James - Chair of Directors

Governance Statement
for the Year Ended 31 August 2019

Scope of Responsibility
As directors, we acknowledge we have overall responsibility for ensuring that Fairfield High School 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 of loss.

The board of directors 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 Fairfield High School and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance
The information on governance included here supplements that described in the Report of the Directors and in the Statement of Directors' Responsibilities. The board of directors has formally met 4 times during the year. Attendance during the year at those meetings was as follows:

Director	Meetings attended	Out of a possible
Mrs J Archer	3	4
Mr B Eacock	4	4
Mr T Edwards	3	4
Mrs C Ford	4	4
Mrs S Gaston (Headteacher and Accounting Officer)	4	4
Mr S Hancorn	2	3
Mrs P Hart	4	4
Mrs P James (Chair)	4	4
Rev S Lockett	0	0
Mr S Purse	3	4
Dr H Probert	4	4
Mrs J Johnston	3	3

The Business Committee is a sub committee of the board of directors. The main function of this committee is to consider and make recommendations to the directors on all financial and budgetary matters. Attendances at meetings in the year were as follows:

Director	Meetings attended	Out of a possible
Mr B Eacock	4	4
Mr T Edwards	3	4
Mrs S Gaston	3	4
Mrs P James	2	4
Mr S Purse	4	4
Mrs J Johnston	3	3

The Education Committee is a sub committee of the board of directors. Attendances at meetings in the year were as follows:

Director	Meetings attended	Out of a possible
Mrs J Archer	3	3
Mrs C Ford	3	3
Mrs S Gaston	3	3
Mr S Hancorn	1	3
Mrs P Hart	3	3
Mrs P James	3	3
Dr H Probert	3	3
Mrs J Johnston	1	3

Governance Statement
for the Year Ended 31 August 2019

Governance Review
The Education and Skills Funding Agency's Financial Management and Governance Self-Assessment return was considered by the directors. This assessment allowed the directors to consider aspects covering financial oversight, financial planning, internal control, financial monitoring and management and audit requirements. It also ensured compliance with the requirements of the Academies Financial Handbook.

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

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

- Weekly meeting with the Director of Finance to look at budgets, premises, future planning, staffing and costs
- Ensuring the Finance Policy is adhered to and appropriate financial safeguards are in place
- Supporting a mutual peer review of financial controls and audit with another school

The Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

The Risk and Control Framework
The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. During the year the directors reviewed, updated and approved a set of policies that formalise this framework. In particular, it includes:

* comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the directors;
* regular reviews by the Business Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
* setting target to measure financial and other performance;
* clearly defined purchasing (asset purchase or capital investment) guidelines;
* delegation of authority and segregation of duties;
* identification and management of risks.

The directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. During the year the directors considered a report prepared as a result of a brief review of financial operations by staff from another school. In addition, John Swift, a member and qualified accountant, performed an internal scrutiny review. The reviewers role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The reviewer reports to the board through the Business Committee on the operation of the systems of control and on the discharge of the directors' financial responsibilities. Other than noted above, no changes have been made to the internal controls and procedures operated at Fairfield.

Review of Effectiveness
As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. Since becoming an academy, the review has been informed by:

* The work of the internal reviewer.
* The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Any recommendations made by Thorne Widgery, following the audit will be considered and acted upon in a timely manner.

Approved by order of the board of directors on ....18/12/2019............ and signed on its behalf by:

PS James
....
Mrs P S James - Chair of Directors

S Gaston
....
Mrs S Gaston - Headteacher/Accounting Officer

Fairfield High School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2019

As accounting officer of Fairfield High School I have considered my responsibility to notify the academy trust board of directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of directors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

S. Gaston

Mrs S Gaston - Accounting Officer

Date: 18/12/2019

Statement of Directors' Responsibilities for the Year Ended 31 August 2019

The directors (who also act as trustees of Fairfield High School) are responsible for preparing the Report of the Directors and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

The directors are responsible for ensuring that in its conduct and operation the academy trust 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 the ESFA/DfE have been applied for the purposes intended.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust'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 directors on ....18/12/2019.............. and signed on its behalf by:

PS James
....
Mrs P S James - Chair of Directors

Report of the Independent Auditors to the Members of
Fairfield High School

Opinion
We have audited the financial statements of Fairfield High School (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:
- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities, the directors 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 directors 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 directors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

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

Mr K M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 20/12/19

Note:
The maintenance and integrity of the Fairfield High School website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to
Fairfield High School and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fairfield High School during the period 1 September 2018 to 31 August 2019 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 Fairfield High School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fairfield High School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fairfield High School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Fairfield High School's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Fairfield High School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 22 in the notes to the financial statements.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 20/12/19

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

	Notes	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	31.8.19 Total funds £	31.8.18 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	38,335	141,487	179,822	249,144
Charitable activities						
Funding for the academy's educational operations	3	-	-	2,568,337	2,568,337	2,444,677
Teaching schools		-	-	50,000	50,000	60,000
Other trading activities	4	5,108	-	48,728	53,836	57,839
Investment income	5	345	-	-	345	341
Other income		-	-	-	-	200
Total		5,453	38,335	2,808,552	2,852,340	2,812,201
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		2,020	115,410	2,678,267	2,795,697	2,910,525
Teaching schools		-	-	61,570	61,570	61,015
Total	6	2,020	115,410	2,739,837	2,857,267	2,971,540
NET INCOME/(EXPENDITURE)		3,433	(77,075)	68,715	(4,927)	(159,339)
Transfers between funds	18	-	42,863	(42,863)	-	-
Other recognised gains/(losses)						
Actuarial gain/(loss) on defined benefit schemes		-	-	(391,000)	(391,000)	158,000
Net movement in funds		3,433	(34,212)	(365,148)	(395,927)	(1,339)
RECONCILIATION OF FUNDS						
Total funds brought forward		97,822	4,080,417	(654,765)	3,523,474	3,524,813
TOTAL FUNDS CARRIED FORWARD		101,255	4,046,205	(1,019,913)	3,127,547	3,523,474

CONTINUING OPERATIONS
All income and expenditure has arisen from continuing activities.

Fairfield High School (Registered number: 08936256)

Balance Sheet
At 31 August 2019

	Notes	31.8.19 £	31.8.18 £
FIXED ASSETS			
Tangible assets	12	4,046,205	4,080,418
CURRENT ASSETS			
Debtors	13	132,533	116,031
Cash at bank and in hand		703,772	583,495
		836,305	699,526
CREDITORS			
Amounts falling due within one year	14	(256,963)	(233,470)
NET CURRENT ASSETS		579,342	466,056
TOTAL ASSETS LESS CURRENT LIABILITIES		4,625,547	4,546,474
PENSION LIABILITY	19	(1,498,000)	(1,023,000)
NET ASSETS		3,127,547	3,523,474
FUNDS	18		
Unrestricted funds:			
General fund		101,255	97,822
Restricted funds:			
Conversion and Depreciation		3,930,644	3,998,964
Fixed assets funded by GAG		55,746	42,523
ESFA Capital Grants		53,565	30,181
Pension fund		(1,498,000)	(1,023,000)
General Annual Grant		432,850	320,162
Other general restricted funds		45,002	49,087
Other ESFA Grants		235	(1,015)
Fixed assets funded by other sources		6,250	8,750
		3,026,292	3,425,652
TOTAL FUNDS		3,127,547	3,523,474

The financial statements were approved by the Directors on 18/12/2019 and were signed on its behalf by:

P S James

....
Mrs P S James -Chair of Directors

Fairfield High School

Cash Flow Statement
for the Year Ended 31 August 2019

	Notes	31.8.19 £	31.8.18 £
Cash flows from operating activities:			
Cash generated from operations	1	162,797	(35,468)
Net cash provided by (used in) operating activities		162,797	(35,468)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(81,200)	(27,222)
Capital grants from DfE/ESFA		38,335	12,066
Sale of tangible fixed assets		-	200
Interest received		345	341
Net cash provided by (used in) investing activities		(42,520)	(14,615)
Cash flows from financing activities:			
Loan repayments in year		-	(29,221)
Net cash provided by (used in) financing activities		-	(29,221)
Change in cash and cash equivalents in the reporting period		120,277	(79,304)
Cash and cash equivalents at the beginning of the reporting period		583,495	662,799
Cash and cash equivalents at the end of the reporting period		703,772	583,495

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.19	31.8.18
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(4,927)	(159,339)
Adjustments for:		
Depreciation	115,411	112,428
Capital grants from DfE/ESFA	(38,335)	(12,066)
Profit on disposal of fixed assets	-	(200)
Interest received	(345)	(341)
Increase in debtors	(16,502)	(27,739)
Increase/(decrease) in creditors	23,495	(4,211)
Difference between pension charge and cash contributions	84,000	56,000
Net cash provided by (used in) operating activities	162,797	(35,468)

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Fairfield High School meets the definition of a public benefit entity under FRS 102.

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

Income
All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are 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 trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations
Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

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

1. **ACCOUNTING POLICIES - continued**

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

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

All resources expended are inclusive of irrecoverable VAT.

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

1. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Assets costing £2,000 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold buildings	2%	per annum
Leasehold Improvements	10%-20%	per annum
ICT equipment	33.3%	per annum
Motor Vehicles	25%	per annum

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

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

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

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

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

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

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

Investments
The aim is to maintain at least £250,000 of liquid assets to fund the delay between spending and receipt of grants and maintain a safety net to cover emergency spending.

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets
Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the financial statements. Prepayments are not financial instruments.

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

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

Taxation
The Academy Trust is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the governors.

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 and include grants from the Education Skills Funding Agency.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits
Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

2. DONATIONS AND CAPITAL GRANTS

	31.8.19	31.8.18
	£	£
Grants and donations	2,754	59,385
Capital Grants	38,335	12,066
School trips etc	111,997	123,819
Contributions from other organisations	26,736	53,874
	179,822	249,144

All of the figures included in the comparatives related to restricted funds.

Grants received, included in the above, are as follows:

	31.8.19	31.8.18
	£	£
Capital Grant	38,335	12,066

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	31.8.19 Total funds	31.8.18 Total funds
	£	£	£	£
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	2,368,816	2,368,816	2,310,495
Other DfE/ESFA Grants	-	123,508	123,508	76,545
	-	2,492,324	2,492,324	2,387,040
Other government grant				
Other local authority	-	76,013	76,013	57,637
	-	2,568,337	2,568,337	2,444,677

All of the figures included in the comparatives related to restricted funds.

4. OTHER TRADING ACTIVITIES

	31.8.19	31.8.18
	£	£
Income from other schools	44,003	57,614
Other income	9,833	225
	53,836	57,839

All of the figures included in the comparatives related to restricted funds.

5. INVESTMENT INCOME

	31.8.19	31.8.18
	£	£
Short term deposits	345	341

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

		Non-pay expenditure		31.8.19	31.8.18
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academies educational operations					
Direct costs	1,819,313	68,320	306,522	2,194,155	2,202,631
Allocated support costs	309,126	110,255	182,161	601,542	707,894
Teaching schools					
Direct costs	55,232	-	-	55,232	56,465
Allocated support costs	6,338	-	-	6,338	4,550
	2,190,009	178,575	488,683	2,857,267	2,971,540

Net income/(expenditure) is stated after charging/(crediting):

	31.8.19	31.8.18
	£	£
Auditors' remuneration	8,725	8,620
Auditors' remuneration for non audit work	450	265
Depreciation - owned assets	115,413	112,428
Surplus on disposal of fixed asset	-	(200)
Operating leases	5,481	2,919

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	31.8.19 Total funds	31.8.18 Total funds
	£	£	£	£
Direct costs	-	2,194,155	2,194,155	2,202,631
Direct costs - teaching schools	-	55,232	55,232	56,465
Support costs	2,020	599,522	601,542	707,894
Support costs - teaching schools	-	6,338	6,338	4,550
	2,020	2,855,247	2,857,267	2,971,540

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.19 Total £	31.8.18 Total £
Analysis of support costs		
Support staff costs	315,464	294,060
Depreciation	43,358	40,377
Administration and technology costs	73,603	71,636
Premises costs	110,255	246,019
Other support costs	56,025	51,467
Governance costs	9,175	8,885
Total support costs	607,880	712,444

All of the figures included in the comparatives related to restricted funds.

8. DIRECTORS' REMUNERATION AND BENEFITS

One or more directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and former staff directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as directors. Other directors did not receive any payments, other than expenses, from the Academy in respect of their role as directors. The value of directors' remuneration and other benefits received during the period, was as follows:

			2019	**2018**
S Gaston	Headteacher and Accounting Officer	Remuneration	£90,000 - £95,000	£85,000 - £90,000
		Eer Pension Contributions	£10,000 - £15,000	£10,000 - £15,000

This is based on the national salary range for a group 4 school and also includes £15,302 (2018: £15,302) plus Employers National Insurance Contributions for the Executive Headship referred to in note 21. This additional payment will continue for as long as the Executive Headship role is undertaken.

P Hart	Staff Member	Remuneration	£30,000 - £35,000	£25,000 - £30,000
		Eer Pension Contributions	£5,000 - £10,000	£Nil - £5,000
C Ford	Staff Member	Remuneration	£30,000 - £35,000	£25,000 - £30,000
		Eer Pension Contributions	£5,000 - £10,000	£Nil - £5,000

Other related party transactions involving the directors are set out in note 22.

Directors' expenses

During the period ended 31 August 2019, travel expenses totalling £905 (2018: £686) were reimbursed to 2 directors (2018: 2).

9. STAFF COSTS

	31.8.19	31.8.18
	£	£
Wages and salaries	1,698,475	1,662,120
Social security costs	151,349	154,287
Operating costs of defined benefit pension schemes	312,273	313,882
	2,162,097	2,130,289
Supply teacher costs	27,912	31,017
Staff restructuring costs	-	16,781
	2,190,009	2,178,087

Included in staff restructuring costs is a non-statutory severance payment totalling £Nil (2018: £5,624).

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.19	31.8.18
Teachers	31	31
Administration and support	57	53
Management	8	8
	96	92

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

	31.8.19	31.8.18
£60,001 - £70,000	-	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	1	2

Key Management Personnel
The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £499,479 (2018: £534,150).

10. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance for the year ended 31 August 2019 is included in the total cost of insurance.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	22,066	227,078	249,144
Charitable activities				
Funding for the academy's educational operations	-	-	2,444,677	2,444,677
Teaching schools	-	-	60,000	60,000
Other trading activities	-	-	57,839	57,839
Investment income	341	-	-	341
Other income	-	-	200	200
Total	341	22,066	2,789,794	2,812,201
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	112,428	2,798,097	2,910,525
Teaching schools	-	-	61,015	61,015
Total	-	112,428	2,859,112	2,971,540
NET INCOME/(EXPENDITURE)	341	(90,362)	(69,318)	(159,339)
Transfers between funds	-	5,156	(5,156)	-
Other recognised gains/(losses)				
Actuarial gain/(loss) on defined benefit schemes	-	-	158,000	158,000
Net movement in funds	341	(85,206)	83,526	(1,339)
RECONCILIATION OF FUNDS				
Total funds brought forward	97,481	4,165,624	(738,292)	3,524,813
TOTAL FUNDS CARRIED FORWARD	97,822	4,080,418	(654,766)	3,523,474

12. TANGIBLE FIXED ASSETS

	Long leasehold	Improvements to property	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 September 2018	4,295,000	22,165	11,500	191,522	4,520,187
Additions	-	29,600	-	51,600	81,200
Disposals	-	-	-	(14,174)	(14,174)
At 31 August 2019	4,295,000	51,765	11,500	228,948	4,587,213
DEPRECIATION					
At 1 September 2018	296,036	10,243	2,750	130,740	439,769
Charge for year	68,320	3,734	2,500	40,859	115,413
Eliminated on disposal	-	-	-	(14,174)	(14,174)
At 31 August 2019	364,356	13,977	5,250	157,425	541,008
NET BOOK VALUE					
At 31 August 2019	3,930,644	37,788	6,250	71,523	4,046,205
At 31 August 2018	3,998,964	11,922	8,750	60,782	4,080,418

The leasehold land and buildings at Peterchurch is leased for no consideration from Herefordshire Council for a term of 125 years from 2014.

Included within long leasehold land and buildings is non-depreciating land valued at £879,000.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade debtors	21,898	27,890
VAT	15,828	12,825
Prepayments and accrued income	94,807	75,316
	132,533	116,031

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade creditors	94,788	119,101
Social security and other taxes	73,357	68,782
Accruals and deferred income	88,818	45,587
	256,963	233,470

	£
Deferred Income at 1 September 2018	36,466
Resources deferred in the year	60,875
Amounts released from previous years	(36,466)
Deferred Income at 31 August 2019	60,875

At the balance sheet date the Academy Trust was holding funds received in advance in relation to trips due to take place in the 19/20 academic year.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.19	31.8.18
	£	£
Within one year	5,481	5,482
Between one and five years	4,969	10,453
	10,450	15,935

16. 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.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Restricted Fixed Asset	Restricted General Fund	31.8.19 Total funds
	£	£	£	£
Fixed assets	-	4,046,205	-	4,046,205
Current assets	101,255	86,236	648,814	836,305
Current liabilities	-	(86,236)	(170,727)	(256,963)
Pension liability	-	-	(1,498,000)	(1,498,000)
	101,255	4,046,205	(1,019,913)	3,127,547

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

	Unrestricted Fund	Restricted Fixed Asset	Restricted General Fund £	31.8.18 Total funds £
Fixed assets	-	4,080,418	-	4,080,418
Current assets	97,822	-	601,704	699,526
Current liabilities	-	-	(233,470)	(233,470)
Pension liability	-	-	(1,023,000)	(1,023,000)
	97,822	4,080,418	(654,766)	3,523,474

18. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
General fund	97,822	3,433	-	101,255
Restricted funds				
Conversion and Depreciation	3,998,964	(68,320)	-	3,930,644
Fixed assets funded by GAG	42,523	(28,861)	42,084	55,746
ESFA Capital Grants	30,180	22,606	779	53,565
Pension fund	(1,023,000)	(475,000)	-	(1,498,000)
General Annual Grant	320,163	167,120	(54,433)	432,850
Other general restricted funds	47,837	(2,835)	-	45,002
Other ESFA Grants	235	(11,570)	11,570	235
Fixed assets funded by other sources	8,750	(2,500)	-	6,250
	3,425,652	(399,360)	-	3,026,292
TOTAL FUNDS	3,523,474	(395,927)	-	3,127,547

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,453	(2,020)	-	3,433
Restricted funds				
ESFA Capital Grants	38,335	(15,729)	-	22,606
General Annual Grant	2,370,323	(2,203,203)	-	167,120
Other general restricted funds	264,721	(267,556)	-	(2,835)
Other ESFA Grants	173,508	(185,078)	-	(11,570)
Fixed assets funded by other sources	-	(2,500)	-	(2,500)
Conversion and Depreciation	-	(68,320)	-	(68,320)
Fixed assets funded by GAG	-	(28,861)	-	(28,861)
Pension fund	-	(84,000)	(391,000)	(475,000)
	2,846,887	(2,855,247)	(391,000)	(399,360)
TOTAL FUNDS	2,852,340	(2,857,267)	(391,000)	(395,927)

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted Funds				
General fund	97,481	341	-	97,822
Restricted Funds				
Conversion and Depreciation	4,067,530	(68,566)	-	3,998,964
Fixed assets funded by GAG	75,613	(33,090)	-	42,523
ESFA Capital Grants	22,481	2,544	5,156	30,181
Pension fund	(1,125,000)	102,000	-	(1,023,000)
General Annual Grant	337,621	45,995	(63,454)	320,162
Other general restricted funds	49,087	(58,298)	58,298	49,087
Other ESFA Grants	-	(1,015)	-	(1,015)
Fixed assets funded by other sources	-	8,750	-	8,750
	3,427,332	(1,680)	-	3,425,652
TOTAL FUNDS	3,524,813	(1,339)	-	3,523,474

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	341	-	-	341
Restricted funds				
Fixed assets funded by GAG	-	(33,090)	-	(33,090)
ESFA Capital Grants	12,066	(9,522)	-	2,544
General Annual Grant	2,310,495	(2,264,500)	-	45,995
Other general restricted funds	342,754	(401,052)	-	(58,298)
Other ESFA Grants	136,545	(137,560)	-	(1,015)
Fixed assets funded by other sources	10,000	(1,250)	-	8,750
Conversion and Depreciation	-	(68,566)	-	(68,566)
Pension fund	-	(56,000)	158,000	102,000
	2,811,860	(2,971,540)	158,000	(1,680)
TOTAL FUNDS	2,812,201	(2,971,540)	158,000	(1,339)

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

* General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
* Other ESFA Grants: are utilised for the purposes intended by the donor.
* Other Restricted General Funds: include payments made towards Academy trips and reflect the grant income and expenditure related to the refurbishment of the science block.
* The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
* Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
* Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds
£42,863 (2018: £5,156) has been transferred from the restricted general fund to the restricted fixed asset fund to fund the purchases of fixed assets in the period. Also £11,570 has been transferred from the restricted general fund to other ESFA grants to cover Teaching School costs.

19. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £34,327 were payable to the schemes at 31 August 2019 (2018: £33,185) and are included within creditors.

19. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £192,901 (2018: £209,616).

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

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme
The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2019 was £145,766 (2018:£126,164), of which employer's contributions totalled £119,326 (2018: £103,973) and employees' contributions totalled £26,440 (2018: £22,191). The agreed contribution rates for future years are 17.4 per cent for employers and between 5.5 and 10.5 per cent for employees.

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

The annual valuation at 31 August 2019 has taken into account the potential additional benefit liabilities resulting from the McCloud judgement.

As the scheme is in deficit, the academy has entered into an agreement with the trustees of the LGPS to make additional contributions in addition to normal fund levels.

The rates payable over a three year period will be the Future Service Rate of 17.4% of payroll plus phased lump sum deficit contributions starting at £38,700 for the year to 2018, increasing by approximately 4% per annum. The rate payable from 1 April 2020 will be further revised following the next pension fund valuation on 31 March 2019.

The current estimated recovery period is 16 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Present value of funded obligations	(2,104,000)	(1,475,000)
Fair value of plan assets	606,000	452,000
	(1,498,000)	(1,023,000)
Deficit	(1,498,000)	(1,023,000)
Liability	(1,498,000)	(1,023,000)

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Current service cost	174,000	132,000
Net interest from net defined benefit asset/liability	27,000	27,000
Administration expenses	2,000	1,000
	203,000	160,000
Actual return on plan assets	24,000	24,000

Fairfield High School

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

19. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Defined benefit obligation	1,475,000	1,441,000
Current service cost	174,000	132,000
Contributions by scheme participants	26,000	22,000
Interest cost	42,000	36,000
Actuarial losses/(gains)	400,000	(143,000)
Benefits paid	(13,000)	(13,000)
	2,104,000	1,475,000

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Fair value of scheme assets	452,000	316,000
Contributions by employer	119,000	104,000
Contributions by scheme participants	26,000	22,000
Expected return	15,000	9,000
Actuarial gains/(losses)	9,000	15,000
Benefits paid	(13,000)	(13,000)
Administration expenses	(2,000)	(1,000)
	606,000	452,000

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Actuarial gains/(losses)	(391,000)	158,000
	(391,000)	158,000

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
Equities	70.9%	77%
Government bonds	7.5%	8%
Other bonds	5%	4.6%
Property	6%	4.7%
Cash/liquidity	2.9%	2.1%
Other	7.7%	3.6%

19. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.19	31.8.18
Discount rate	1.8%	2.8%
Future salary increases	3.6%	3.6%
Future pension increases	2.2%	2.2%
Inflation assumption (CPI)	2.1%	2.1%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	22.8	22.7
Females	25.8	25.7
Retiring in 20 years		
Males	25.1	24.9
Females	28.2	28

Sensitivity Analysis

The following shows what the deficit would become as a result of certain changes in the assumptions:

	31.8.19 £000's	31.8.18 £000's
Central	1,498	1,023
Discount rate +0.1%	1,453	991
Mortality assumption - 1 year increase	1,536	1,050
CPI rate +0.1%	1,543	1,055
Pay growth +0.1%	1,505	1,029

20. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Directors are aware of.

21. CAPITAL COMMITMENTS

	31.8.19 £	31.8.18 £
Contracted but not provided for in the financial statements	-	-

22. RELATED PARTY DISCLOSURES

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

S Hancorn, a former director, provided Hay and Grass keep at a cost of £Nil (2018: £42) to the school. No amounts were outstanding at the year end (2018: £Nil).

S Gaston, Headteacher and accounting officer acts as the Executive Headteacher of Longtown Primary School. During the year, the Academy received £30,580 (2018: £25,433) in respect of this service, and this includes provision of other staff members' time. As a result of this arrangement, S Gaston is paid an additional £15,302/annum (2018: £15,302/annum) by the Academy to undertake these additional duties. In addition, during the year expenditure of £209 (2018: £1,255) was recharged to Longtown Primary School for goods and services bought on their behalf. Fairfield also paid Longtown £400 (2018: £Nil) of funding that Fairfield received on their behalf during the year. At the year end £9,810 was outstanding to Fairfield (2018: £11,174).

Herefordshire Integrated Behaviour Outreach Service (HIBOS), is the behavioural school and Pupil Referral Unit provision in Herefordshire Academy of which D Gaston (spouse of S Gaston headteacher and accounting officer) is headteacher and accounting officer. During the year income of £232 (2018: £546) was received from HIBOS in relation to consultancy and recharges and £Nil (2018: £270) paid to HIBOS in relation to conference fees. At the year end £232 was owed from HIBOS (2018: £135 was payable to HIBOS).

J Johnston, a former director provided coaching services at a cost of £210 (2018: £Nil) to the school. No amounts were outstanding at the year end (2018: £Nil).

In entering into the above transactions the academy has complied with the requirements of the Academies Financial Handbook 2018, and the element above £2,500 has been provided 'at no more than cost'.

23. TEACHING SCHOOL TRADING ACCOUNT

	2019	2018
	£	£
Income		
Direct income		
Grants	50,000	60,000
Other income	-	1,250
Total income	50,000	61,250
Expenditure		
SLT salaries and oncosts	40,755	34,275
Administrative	6,338	4,550
Training and development	7,650	11,550
Conference and meeting costs	350	4,050
Research costs	6,180	6,012
Mileage claims	297	578
Total expenditure	61,570	61,015
Surplus/(deficit) from all sources	**(11,570)**	**235**
Transfers between funds	11,570	
Teaching school balance at 1 September 2018	**235**	
Teaching school balance at 31 August 2019	**235**	