

**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	I R N Ballsdon S Cooke M Eben-Aimine
<b>Governors</b>	I R N Ballsdon, Chair of Governors P Garden S Cooke, Head Teacher B McAvoy J Loftus B S Rajpal (resigned 31 January 2020) J A Kettell R I Proyart B Reynolds P Jacobs (appointed 2 September 2019) D Geraghty
<b>Company registered number</b>	07706726
<b>Company name</b>	The Avenue School Special Needs Academy Trust
<b>Registered office</b>	Conwy Close Tilehurst Reading Berkshire RG30 4BZ
<b>Company secretary</b>	T Green
<b>Senior management team</b>	S Cooke, Head Teacher A Stephenson, Deputy Head Teacher M Eben-Aimine, Deputy Head Teacher C Minette-George, Assistant Head E Webb, Assistant Head K Gray, Assistant Head J Cottrill, Assistant Head (appointed 1 September 2019) T Green, Finance Manager
<b>Independent auditor</b>	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
<b>Bankers</b>	Lloyds Reading RG1 2BT

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

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<b>Solicitors</b>	Browne Jacobson Mowbray House Cattle Meadow Road Nottingham NG2 1BJ
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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

The trust operates a special needs academy for pupils aged 3 -19. Places are offered to pupils within the Reading Borough Council local authority as well as to those pupils from surrounding Local Authorities. In the academic year the school was funded for 150 places, this has increased to 175 places as of 1st September 2020.

**Structure, governance and management**

**a. Constitution**

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

The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Governors of The Avenue School Special Needs Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Avenue School.

Details of the Governors who served during the year, 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 Trust holds an insurance policy with Zurich Municipal which included Governors Liability insurance. This qualifies as third party indemnity insurance as defined by section 236 of the Companies Act 2006.

**d. Method of recruitment and appointment or election of Governors**

The Members may appoint nine Governors save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Academy Trust (including the Head Teacher).

**e. Policies adopted for the induction and training of Governors**

The Academy purchases membership of Reading Borough Council Governor's Services as part of the Academy SLA agreement. Induction and training course dates are highlighted to the members of the Governing Body immediately. Governors are encouraged to take up this training as well as other relevant training for example from The National College. The school is also a member of the School Bus Organisation and The Key, which provide support for Governors and the Senior Leadership Team.

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

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**Structure, governance and management (continued)**

**f. Organisational structure**

As specified in the Articles of Association the business of the Academy Trust is managed by the Governors who exercise all the powers of the Academy Trust. The Governors consider advice given by the Headteacher and Senior Leadership Team. Governors are responsible for setting policies, planning and budget setting and making senior staff appointments and monitoring the performance of the Headteacher annually.

The academy board of governors is made up of several members, including parent governors, staff governors, community governors and co-opted governors. The full governing body meets once every half term to approve decisions, policies, school development plan and financial status. The Governing Body takes a strategic role, and delegates the responsibility of advising on all financial matters to the Finance & Audit committee, though retains overall approval for financial decisions.

The day to day running of the academy is delegated to the Headteacher and Senior Leadership Team who implement the policies agreed by the Governors. The Senior Leadership Team is responsible for the authorisation of spending within agreed budgetary limits and appointment of staff except the Senior Leadership Team. The Headteacher has been appointed as the Accounting Officer. A member of the Governing Body has been appointed as the Responsible Officer.

The Governing Body of The Avenue School Special Needs academy completed a skills audit in 2018/19, as a result of which new governors were appointed in 2019/20 to help cover any gaps.

The Trust is actively recruiting new Members, to ensure compliance with ESFA regulations.

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

All key personnel can expect to receive regular, constructive feedback on their performance and are subject to annual appraisal that recognizes their strengths, informs plans for their future development and helps to enhance their professional practice.

Governors review all pay decisions, but delegate responsibility for all staff appraisals and pay reviews (apart from the Headteacher) to the Headteacher. The Headteacher's performance and pay reviews are carried out by a delegation of Governors. Teacher's pay reviews are paid with effect from 1st September, backdated as appropriate.

**h. Related parties and other connected charities and organisations**

The Boddington Trust Fund is a related charity by value of the common address.



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities**

**a. Objects and aims**

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education.

The charitable company's objectives are to provide and maintain, manage and develop Special Needs Education.

The main objectives of the Academy during the period ended 31 August 2020 are summarised below:

- To provide the very best opportunities for all pupils to enable them to fulfil their full potential mentally, physically, socially and emotionally;
- To provide a broad and balanced curriculum for all pupil to develop the skills and knowledge needed for life;
- As far as possible, to provide education remotely during the Covid -19 lockdown period, and childcare and learning for those pupils deemed most vulnerable during the lockdown period between March 2020 and July 2020.
- To develop and maintain a high quality learning environment; supported by an appropriate and evolving assessment system;
- To establish consistency and high expectations and support staff with their own personal development and preparation for the future of special education within the authority;
- To develop the school as a specialist resource.

The special educational provision is made at the Academy for one or more categories of Special Educational Needs. These categories may include, but are not limited to, severe and complex learning difficulties, autistic spectrum disorders and needs associated with physical disabilities.

**b. Objectives, strategies and activities**

The main strategy is encompassed in the mission statement: "To enhance each individual's quality of life and maximise independence through an individual approach to the development of communication, personal and social, physical, academic and life skills. Learning will be delivered through an approach to PACE: Playfulness, Acceptance, Curiosity and Empathy (Dan Hughes, 1997)".

- Establishing a learning environment designed to inspire students in their quest for knowledge and skills through a range of learning strategies and activities, to maximise independence and opportunities beyond school;
- Establishing a structure to maintain and improve the high standards in the school.
- Ensuring value for money with efficient and effective use of public funds.

**c. Public benefit**

In setting objectives and planning activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Academy's objective is to advance, for the public benefit, education in the area in particular but without prejudice to the area of establishing, maintaining and developing a school offering special needs education for pupils with an EHCP or Statement of Special Educational Needs.



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

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**Strategic report**

**Achievements and performance**

The academy has completed its eighth year of operation. The school has been operating for over 100 years.

Pupils have a baseline assessment completed on admission including both social skills and attainment in basic skills to enable us to have a true picture of the individual to support their transition and appropriate target setting. The school's database brings together a wide range of data including attendance and any additional interventions to support individual learning.

Close scrutiny and analysis of this information leads to a judgement that no one group under-performs. Individual pupils on free school meals who receive additional pupil premium funding are provided with the relevant and necessary support to help them meet their maximum potential.

The school prides itself in having a clear focus on the needs of individual pupils and no one pupil is disadvantaged.

During the Covid-19 lockdown period, between March 2020 and July 2020, the school continued to remain open to Key workers' pupils and those deemed most vulnerable. The numbers were low at the start of lockdown, and rose to 40% of pupils by June 2020. Those pupils who were "home schooling" were regularly contacted by class teachers, work was sent home tailored to each pupils' needs, videos were created on YouTube, Facebook and the school website.

**a. Key performance indicators**

An Ofsted inspection carried out in September 2019 stated that "the school continues to be outstanding". The report stated: "This is an exceptionally friendly school"; "Leaders want pupils to have successful adult lives"; "Leaders have worked hard over the last two years to organise pupils' learning so that teachers know exactly what they need to teach in the right order. In the school's core subjects of physical development, social and emotional development and communication, the plans are very clear. Teachers know exactly what pupils need to be able to do before they move on to the next thing". Recommendations were: While leaders have made sure that the school's core curriculum pathways are strong, pupils' learning is not so well planned in phonics and mathematics, for example. Leaders need to continue to improve the planning in these areas so that learning is organised in a logical sequence, in small enough units, to meet pupils' very specific special educational needs and/or disabilities. Leaders have high aspirations for pupils to enjoy happy and successful adult lives. Most pupils go to college when they leave the school; Leaders need to sharpen their work with older pupils so that transition planning is more precisely focused on the skills and experiences pupils need to make a successful transition to adulthood, including into employment when possible; Governors are ambitious for pupils to achieve well. Governors need to make more effective use of all the information available to them to support and challenge Leaders.

The school has increased the number of pupils on roll in two consecutive years, following requests by the Local Authority, this highlights the good reputation of the school in the community and has introduced financial efficiencies.

**b. Going concern**

After making appropriate enquiries, the board of Governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.



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

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**Strategic report (continued)**

**Financial review**

The school's funding is obtained from EFA General Annual Grant, plus Special Educational Needs Top Up funding from the local authorities in which the pupils reside. Excluding the movement in the LGPS deficit, the school saw a surplus of £230k across its revenue reserves in the financial year. Further increasing the reserves built back to the required level, and will be required in the coming years which increases in employment cost (pay and pensions), utilities and the age of the building requiring a program of repair and no change in pupil funding.

The surplus was generated primarily by increasing the pupil numbers, whilst managing costs. Prior to the Covid-19 lockdown, the use of the school facilities out of school hours had developed further and had generated an income to February 2020 of £40k of income, as well as £5k in donations. The school expenditure on Health and Safety due to Covid-19 was an extra £7k, including screening, PPE, hand sanitisers etc.

**a. Reserves policy**

The directors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The directors intend to review the reserves policy annually to ensure that this aim can be achieved.

The Board of Directors have determined that the appropriate level of free reserves should be a minimum of 2.5% of total funding, and ideally at a level to cover one month's payroll costs. The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. The Trust's free reserves as at 31st August 2020 were £147k (2019: £134k). These free reserves represent 2.7% of total incoming resources in the year. The reason for this reserve is to provide sufficient working capital and to provide a cushion to cover the increases in employment costs which is not fully covered by government funding, as well as no increase in funding per pupil. In future years' capital maintenance and development projects such as reshaping the building to increase capacity and upgrades to the I.T. infrastructure may be considered in the reserves policy review.

The balance on Restricted General Funds (excluding pension reserve) plus the balance on Unrestricted Funds at 31 August 2020 is £922,074.

**b. Investment policy**

The directors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law. The policy is to minimise risk and maintain liquidity.

**c. Principal risks and uncertainties**

The principal risks are the pension fund where the school must make good its long term obligations, due to the nature of these obligations and the timeframes they are due to be realised over, there is a material uncertainty over the final balance. The Academy obtains advice from the scheme actuaries when discussing the pension scheme.

The other principal risk is the grants received for the funding of the school, these are decided annually and hence reduce the Governors' ability to produce long term budgets. This funding is planned to change in the short term, to align payments with other special schools.

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

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**Strategic report (continued)**

**Plans for future periods**

The aims and objectives, as detailed in the School Development Plan, for providing special needs education for 2020 – 2021 are:

- To continue the development of the curriculum in areas such as Phonics and Mathematics and training;
- To review the staffing structure to meet the changing needs of the school and due to the ever tightening school budget;
- To support Reading Borough Council's Green agenda;
- To strengthen support for SEND pupils across the borough by developing a varied programme of in-house and outreach opportunities; review the potential of satellite schools and look at the potential to expand the school further.

**Fundraising**

The academy had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

**Funds held as custodian on behalf of others**

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, The Avenue Special Needs Academy Trust does not hold, and the directors do not anticipate that it will in the future hold, any funds as custodian for any third party.

**Disclosure of information to auditor**

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 15 December 2020 and signed on its behalf by:



**I R N Ballsdon**  
(Chair of Trustees)



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 The Avenue School Special Needs Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 6 times during the year.

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

Governor	Meetings attended	Out of a possible
I R N Ballsdon, Chair of Governors	5	6
S Cooke, Head Teacher	6	6
J A Kettell, Chair of Audit Committee	6	6
R I Proyard	5	6
B Reynolds	5	6
D Geraghty	6	6
P Garden	6	6
B McAvoy	5	6
J Loftus	6	6
B S Rajpal (resigned 31 January 2020)	0	3
P Jacobs	4	6

Tracey Green was appointed Finance Director February 2015.

There have been no key changes to the board of Trustees at the start of the year. In light of the fact that 2 other trustees are employed by the academy, the governors have been actively seeking to appoint trustees since Jan 2019, but have not been successful. B Rajpal were asked to step down as governor due to only having attended one meeting since his appointment.

The Trustees and Governors have focused on working with the new school leadership team to support the School Development plan (SDP), expansion of the school and closer links with the school community. The board have noted, in particular, the quality of the Headteacher's reports presented at each Governors' meeting and how this gives them a better understanding of the progress of the SDP etc. The Governors' have also been supportive of the management of the school during the Covid-19 pandemic.

The governors have been complete a skills audit in September 2018, although they were due to complete another audit in 2020, due to the pandemic, this was not made a priority and will be carried forward to 2021.

The Finance and Audit Committee is a sub-committee of the main governing body. Its purpose is to assist the



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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. During the period, the committee has focused on ensuring good financial practice and policy is established in the school, and have approved the use of funds to replace staff laptops.

The Finance and Audit Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. During the period, the committee has focused on ensuring good financial practice and policy is established in the school, and have approved the use of funds to replace staff laptops.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
B McAvoy (chair)	4	4
I R N Ballsdon	4	4
T Green	4	4
J Kettel	3	4
J Loftus	4	4
S Cooke	4	4

**Review of value for money**

As accounting officer, the Head Teacher 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 Governors 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:

1. Increasing the use of premises for community groups;
2. Challenging the staff to pupil ratios.
3. Reviewing spend to ensure value for money

**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 The Avenue School Special Needs Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to handle risk**

The board of Governors 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 Governors 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 Governors.

**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 Governors
- 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 Governors has considered the need for a specific internal audit function and has decided to appoint Crowe U.K. LLP as internal auditor.

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:

- Journals
- Other Income
- Fraud and irregularity
- Credit card expenditure

On a quarterly basis, the internal auditor reports to the board of Governors through the audit committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

This work was carried out in line with ESFA requirements and the work carried out so far has not uncovered any material control issues.

The Governors are aware that the internal auditor role can no longer be carried out by Crowe and are in the process of appointing a new firm, in line with the Academies Handbook.



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**GOVERNANCE STATEMENT (CONTINUED)**

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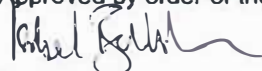
**Review of effectiveness**


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

- on discharge of the Board of Governors 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 auditor;
- 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 15 December 2020 and signed on their behalf by.

  
**I R N Ballsdon**  
Chair of Trustees

  
**S Cooke**  
Accounting Officer

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The Avenue School Special Needs Academy Trust I have considered my responsibility to notify the academy board of Governors 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 Governors 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 Governors and ESFA.

  
**S Cooke**  
Accounting Officer  
Date: 15/12/2020

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

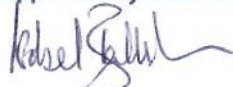
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 Governors 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 Governors 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 Governors 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 Governors on 15 December 2020 and signed on its behalf by:



**I R N Ballsdon**  
Chair of Trustees



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of The Avenue School Special Needs Academy Trust (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 Auditor's 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST (CONTINUED)**

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**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Governors' 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST (CONTINUED)**



**Janette Joyce (Senior statutory auditor)**  
for and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

Date 16 December 2020

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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING  
AGENCY**

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In accordance with the terms of our engagement letter dated 11 September 2019 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 The Avenue School Special Needs Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Avenue School Special Needs Academy Trust's accounting officer and the reporting accountant**

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

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



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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

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**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:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity
- substantive testing of individual transactions.

**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.

*Crowe U.K. LLP*

Reporting Accountant  
**Crowe U.K. LLP**

Statutory Auditor

Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

Date: 16 December 2020

**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	5,273	-	9,164	14,437	56,394
Charitable activities	4	17,411	5,361,233	-	5,378,644	4,787,734
Other trading activities	5	65,566	-	-	65,566	82,052
Investments		382	-	-	382	403
<b>Total income</b>		<b>88,632</b>	<b>5,361,233</b>	<b>9,164</b>	<b>5,459,029</b>	<b>4,926,583</b>
<b>Expenditure on:</b>						
Raising funds	5	1,182	489	-	1,671	1,336
Charitable activities	6	74,212	5,733,794	294,418	6,102,424	5,415,507
<b>Total expenditure</b>		<b>75,394</b>	<b>5,734,283</b>	<b>294,418</b>	<b>6,104,095</b>	<b>5,416,843</b>
<b>Net income/(expenditure)</b>		<b>13,238</b>	<b>(373,050)</b>	<b>(285,254)</b>	<b>(645,066)</b>	<b>(490,260)</b>
Transfers between funds	15	-	(4,198)	4,198	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>13,238</b>	<b>(377,248)</b>	<b>(281,056)</b>	<b>(645,066)</b>	<b>(490,260)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(1,543,000)	-	(1,543,000)	(632,000)
<b>Net movement in funds</b>		<b>13,238</b>	<b>(1,920,248)</b>	<b>(281,056)</b>	<b>(2,188,066)</b>	<b>(1,122,260)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		134,183	(4,444,099)	8,937,836	4,627,920	5,750,180
Net movement in funds		13,238	(1,920,248)	(281,056)	(2,188,066)	(1,122,260)
<b>Total funds carried forward</b>		<b>147,421</b>	<b>(6,364,347)</b>	<b>8,656,780</b>	<b>2,439,854</b>	<b>4,627,920</b>

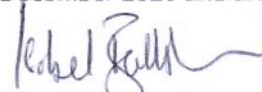
The notes on pages 24 to 50 form part of these financial statements.

**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07706726**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	8,656,780	8,937,836
<b>Current assets</b>			
Debtors	13	287,170	154,534
Cash at bank and in hand		761,819	690,681
		<u>1,048,989</u>	<u>845,215</u>
Creditors: amounts falling due within one year	14	(126,915)	(153,131)
<b>Net current assets</b>		<u>922,074</u>	<u>692,084</u>
<b>Total assets less current liabilities</b>		<u>9,578,854</u>	<u>9,629,920</u>
<b>Net assets excluding pension liability</b>		<u>9,578,854</u>	<u>9,629,920</u>
Defined benefit pension scheme liability	22	(7,139,000)	(5,002,000)
<b>Total net assets</b>		<u><u>2,439,854</u></u>	<u><u>4,627,920</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	15	8,656,780	8,937,836
Restricted income funds	15	774,653	557,901
Restricted funds excluding pension asset	15	<u>9,431,433</u>	<u>9,495,737</u>
Pension reserve	15	(7,139,000)	(5,002,000)
<b>Total restricted funds</b>	15	<u>2,292,433</u>	<u>4,493,737</u>
<b>Unrestricted income funds</b>	15	<u>147,421</u>	<u>134,183</u>
<b>Total funds</b>		<u><u>2,439,854</u></u>	<u><u>4,627,920</u></u>

The financial statements on pages 21 to 50 were approved by the Governors, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

  
**I R N Ballsdon**  
Chair of Trustees

The notes on pages 24 to 50 form part of these financial statements.



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<b>75,237</b>	191,091
<b>Cash flows from investing activities</b>	19	<b>(3,816)</b>	(15,439)
<b>Cash flows from financing activities</b>	18	<b>(283)</b>	(282)
<b>Change in cash and cash equivalents in the year</b>		<b>71,138</b>	175,370
Cash and cash equivalents at the beginning of the year		<b>690,681</b>	515,311
<b>Cash and cash equivalents at the end of the year</b>	20, 21	<u><b>761,819</b></u>	<u><b>690,681</b></u>

The notes on pages 24 to 50 form part of these financial statements



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

The Avenue School Special Needs Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Charity status**

The principal activity of the trust is the special educational provision for one or more categories of Special Educational Needs. The Academy Trust is a company limited by guarantee and an exempt Charitable Company (Company number: 07706726.) It is incorporated and domiciled in the UK. The address of the registered office is The Avenue School Special Needs Academy Trust, Conway Close, Tilehurst, Reading, Berkshire, RG30 4BZ.

**1.3 Going concern**

The Governors 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 Governors 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.

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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. Accounting policies (continued)**

**1.4 Income**

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

**1.5 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.

- **Expenditure on raising funds**

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



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. Accounting policies (continued)**

**1.5 Expenditure (continued)**

• **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.

**1.6 Taxation**

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

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

**1.7 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 0.8% - 2%
Plant, Fixtures, fittings, computer equipment and vehicles	- 10% - 33%
Building improvements	- 10%

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 (incorporating income and expenditure account).

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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. Accounting policies (continued)**

**1.8 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.

**1.9 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.

**1.10 Liabilities**

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

**1.11 Provisions**

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

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

**1.12 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 13. 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 note 14. 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.



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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.13 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.

**1.14 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 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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**THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Governors consider that there are no additional material judgements in applying accounting policies or key sources of estimation uncertainty.

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**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	5,273	-	5,273
Capital Donations	-	-	-
DFE / ESFA Capital Grants	-	9,164	9,164
	<u>5,273</u>	<u>9,164</u>	<u>14,437</u>

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Other Donations	5,196	-	5,196
Capital Donations	-	27,729	27,729
DFE / ESFA Capital Grants	-	23,469	23,469
	<u>5,196</u>	<u>51,198</u>	<u>56,394</u>



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**4. Funding for the academy's educational operations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	-	1,784,025	1,784,025
Other DfE/EFA grants	-	83,827	83,827
Local Authority grants	-	3,493,381	3,493,381
Other Academy income	17,411	-	17,411
	<u>17,411</u>	<u>5,361,233</u>	<u>5,378,644</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	-	1,527,556	1,527,556
Other DfE/EFA grants	-	138,410	138,410
Local Authority grants	-	3,102,915	3,102,915
Other Academy income	18,853	-	18,853
	<u>18,853</u>	<u>4,768,881</u>	<u>4,787,734</u>

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**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Sundry lettings and hire of facilities	42,052	-	42,052
Sundry income	15,600	-	15,600
Receipts from supply teacher insurance claims	7,914	-	7,914
	<u>65,566</u>	<u>-</u>	<u>65,566</u>
<b>Fundraising trading expenses</b>			
Raising funds	1,182	489	1,671
	<u>66,748</u>	<u>489</u>	<u>67,237</u>
	<u><u>66,748</u></u>	<u><u>489</u></u>	<u><u>67,237</u></u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<b>Charity trading income</b>			
Sundry lettings and hire of facilities	55,412	-	55,412
Sundry income	5,262	12,840	18,102
Receipts from supply teacher insurance claims	8,538	-	8,538
	<u>69,212</u>	<u>12,840</u>	<u>82,052</u>
<b>Fundraising trading expenses</b>			
Raising funds	1,336	-	-
	<u>1,336</u>	<u>-</u>	<u>-</u>
	<u><u>1,336</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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**6. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>
Expenditure on fundraising trading activities:				
Direct costs	-	-	1,671	<b>1,671</b>
Academy's educational operations:				
Direct costs	4,063,580	-	133,180	<b>4,196,760</b>
Allocated support costs	1,004,450	576,839	306,680	<b>1,887,969</b>
Other trading activities:				
Allocated support costs	-	-	17,695	<b>17,695</b>
	<u>5,068,030</u>	<u>576,839</u>	<u>459,226</u>	<u><b>6,104,095</b></u>
	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Expenditure on fundraising trading activities:				
Direct costs	-	-	1,336	<b>1,336</b>
Academy's educational operations:				
Direct costs	3,544,926	-	133,260	<b>3,678,186</b>
Allocated support costs	869,847	515,052	319,568	<b>1,704,467</b>
Other trading activities:				
Allocated support costs	-	-	32,854	<b>32,854</b>
	<u>4,414,773</u>	<u>515,052</u>	<u>487,018</u>	<u><b>5,416,843</b></u>



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**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Academy's educational operations	4,196,760	1,887,969	<b>6,084,729</b>
Other trading activities	-	17,695	<b>17,695</b>
	<u>4,196,760</u>	<u>1,905,664</u>	<u><b>6,102,424</b></u>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Academy's educational operations	3,678,186	1,704,467	5,382,653
Other trading activities	-	32,854	32,854
	<u>3,678,186</u>	<u>1,737,321</u>	<u>5,415,507</u>

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

**Analysis of support costs**

	Total funds 2020 £	Total funds 2019 £
Staff costs	1,004,450	869,847
Depreciation	294,418	284,816
Staff development	135	162
Legal costs	33,615	67,551
Pension finance costs	94,000	100,000
Recruitment and support	1,674	1,212
Technology costs	42,781	37,924
Maintenance of premises and equipment	46,730	47,289
Cleaning	115,848	92,871
Rent and rates	731	-
Energy costs	69,894	47,210
Insurance	58,018	53,587
Security and transports	29,667	38,989
Catering	30,402	31,996
Bank interest and charges	284	282
Other support costs	83,017	63,585
	<u>1,905,664</u>	<u>1,737,321</u>

**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	3,307	4,410
Depreciation of tangible fixed assets	294,418	284,816
Fees paid to auditor for:		
- audit	<u>11,575</u>	<u>11,250</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,616,639	3,165,981
Social security costs	252,107	253,254
Pension costs	1,225,519	995,538
	<u>5,094,265</u>	<u>4,414,773</u>

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers	23	20
Administration and support	143	129
Management	10	9
	<u>176</u>	<u>158</u>

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**9. Staff (continued)**

**c. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	-	3
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions were £97,789 (2019: £32,701).

**d. Key management personnel**

The key management personnel of the academy comprise the Governors 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 £702,968 (2019 £590,579).

**10. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		2020 £	2019 £
R I Proyart	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
D Geraghty	Remuneration	40,000 - 45,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
S Cooke, Head Teacher	Remuneration	75,000 - 80,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £1,894).

**11. Governors' and Officers' insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £15,151 (2019 - £15,233). The cost of this insurance is included in the total insurance cost.



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**12. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	10,061,770	505,386	284,474	10,851,630
Additions	-	2,277	11,085	13,362
At 31 August 2020	10,061,770	507,663	295,559	10,864,992
<b>Depreciation</b>				
At 1 September 2019	1,535,335	280,359	98,100	1,913,794
Charge for the year	187,799	61,945	44,674	294,418
At 31 August 2020	1,723,134	342,304	142,774	2,208,212
<b>Net book value</b>				
At 31 August 2020	8,338,636	165,359	152,785	8,656,780
At 31 August 2019	8,526,435	225,027	186,374	8,937,836

**13. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	138,298	65,176
Other debtors	76,518	63,794
Prepayments and accrued income	72,354	25,564
	287,170	154,534

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**14. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	28,782	28,420
Other taxation and social security	-	59,520
Other creditors	4,401	3,326
Accruals and deferred income	93,732	61,865
	<u>126,915</u>	<u>153,131</u>
	2020 £	2019 £
Deferred income at 1 September 2019	1,718	1,603
Resources deferred during the year	-	1,718
Amounts released from previous periods	(1,718)	(1,603)
	<u>-</u>	<u>1,718</u>

At the balance sheet date the academy trust was holding funds received in advance in respect of free school meals £Nil (2019: £1,718).



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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds - all funds	134,183	88,632	(75,394)	-	-	147,421
<b>Restricted general funds</b>						
GAG	-	1,784,025	(1,779,827)	(4,198)	-	-
Other DfE / EFA grants	-	83,827	(83,827)	-	-	-
Local Authority Grants	557,901	3,493,381	(3,276,629)	-	-	774,653
LGPS deficit fund	(5,002,000)	-	(594,000)	-	(1,543,000)	(7,139,000)
	<u>(4,444,099)</u>	<u>5,361,233</u>	<u>(5,734,283)</u>	<u>(4,198)</u>	<u>(1,543,000)</u>	<u>(6,364,347)</u>
<b>Restricted fixed asset funds</b>						
Inherited Fixed asset fund	8,937,836	-	(294,418)	13,362	-	8,656,780
DFE/ESFA capital grants	-	9,164	-	(9,164)	-	-
	<u>8,937,836</u>	<u>9,164</u>	<u>(294,418)</u>	<u>4,198</u>	<u>-</u>	<u>8,656,780</u>
<b>Total Restricted funds</b>	<u>4,493,737</u>	<u>5,370,397</u>	<u>(6,028,701)</u>	<u>-</u>	<u>(1,543,000)</u>	<u>2,292,433</u>
<b>Total funds</b>	<u><u>4,627,920</u></u>	<u><u>5,459,029</u></u>	<u><u>(6,104,095)</u></u>	<u><u>-</u></u>	<u><u>(1,543,000)</u></u>	<u><u>2,439,854</u></u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy.

The fixed assets fund was set up to recognise the tangible assets gifted to the Academy upon conversion which represents the school site including the freehold and long leasehold land and buildings and all

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Statement of funds (continued)**

material items of plant and machinery included therein. It also includes all fixed assets subsequently purchased by way of grants and other funding. Transfers from the Restricted General Fund represents capital additions purchased from GAG income.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status and through which all the pension scheme movements are recognised.

Other DfE/ESFA grants including the pupil premium fund has been set up to manage the restricted pupil premium income received for the purposes of supporting children who have been eligible for free school meals at any point in the last six years. The relevant expenditure incurred is recorded through this fund. Other funding includes the PE grant.

The other restricted income fund has been created to recognise all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant expenditure is then also recorded through this fund.



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**15. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>						
General Funds - all funds	97,239	93,664	(56,720)	-	-	134,183
<b>Restricted general funds</b>						
GAG	-	1,527,556	(1,511,714)	(15,842)	-	-
Other DfE / EFA grants	-	138,410	(138,410)	-	-	-
Other activity funding	-	12,840	(12,840)	-	-	-
Local Authority Grants	325,329	3,102,915	(2,870,343)	-	-	557,901
LGPS deficit fund	(3,828,000)	-	(542,000)	-	(632,000)	(5,002,000)
	<u>(3,502,671)</u>	<u>4,781,721</u>	<u>(5,075,307)</u>	<u>(15,842)</u>	<u>(632,000)</u>	<u>(4,444,099)</u>
<b>Restricted fixed asset funds</b>						
Inherited Fixed asset fund	9,155,612	-	(284,816)	67,040	-	8,937,836
DfE/ESFA capital grants	-	23,469	-	(23,469)	-	-
Other Income	-	27,729	-	(27,729)	-	-
	<u>9,155,612</u>	<u>51,198</u>	<u>(284,816)</u>	<u>15,842</u>	<u>-</u>	<u>8,937,836</u>
<b>Total Restricted funds</b>	<u>5,652,941</u>	<u>4,832,919</u>	<u>(5,360,123)</u>	<u>-</u>	<u>(632,000)</u>	<u>4,493,737</u>
<b>Total funds</b>	<u>5,750,180</u>	<u>4,926,583</u>	<u>(5,416,843)</u>	<u>-</u>	<u>(632,000)</u>	<u>4,627,920</u>

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**16. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	8,656,780	8,656,780
Current assets	147,421	901,568	-	1,048,989
Creditors due within one year	(26,235)	(100,680)	-	(126,915)
Provisions for liabilities and charges	-	(7,139,000)	-	(7,139,000)
Difference	26,235	(26,235)	-	-
<b>Total</b>	<b>147,421</b>	<b>(6,364,347)</b>	<b>8,656,780</b>	<b>2,439,854</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	8,937,836	8,937,836
Current assets	134,183	711,032	-	845,215
Creditors due within one year	-	(153,131)	-	(153,131)
Provisions for liabilities and charges	-	(5,002,000)	-	(5,002,000)
<b>Total</b>	<b>134,183</b>	<b>(4,444,099)</b>	<b>8,937,836</b>	<b>4,627,920</b>



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**17. Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	<b>(645,066)</b>	<b>(490,260)</b>
<b>Adjustments for:</b>		
Depreciation	<b>294,418</b>	284,816
Capital grants from DfE and other capital income	<b>(9,164)</b>	(51,198)
Interest receivable	<b>(382)</b>	(403)
Interest paid	<b>283</b>	282
Defined benefit pension scheme cost less contributions payable	<b>500,000</b>	442,000
Defined benefit pension scheme admin finance cost	<b>94,000</b>	100,000
Increase in debtors	<b>(132,636)</b>	(69,809)
Decrease in creditors	<b>(26,216)</b>	(24,337)
<b>Net cash provided by operating activities</b>	<b>75,237</b>	<b>191,091</b>

**18. Cash flows from financing activities**

	2020 £	2019 £
Interest paid	<b>(283)</b>	(282)
<b>Net cash used in financing activities</b>	<b>(283)</b>	(282)

**19. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	<b>382</b>	403
Purchase of tangible fixed assets	<b>(13,362)</b>	(67,040)
Capital grants from DfE Group	<b>9,164</b>	51,198
<b>Net cash used in investing activities</b>	<b>(3,816)</b>	(15,439)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	761,819	690,681
<b>Total cash and cash equivalents</b>	<b>761,819</b>	<b>690,681</b>

**21. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	690,681	71,138	761,819
	<b>690,681</b>	<b>71,138</b>	<b>761,819</b>

**22. 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 Royal Borough of Windsor and Maidenhead. 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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**22. 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 £254,359 (2019 - £150,532).

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 £572,000 (2019 - £513,535), of which employer's contributions totalled £440,000 (2019 - £393,700) and employees' contributions totalled £ 132,000 (2019 - £119,835). The agreed contribution rates for future years are 22.5 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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**22. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.2</b>	3.65
Rate of increase for pensions in payment/inflation	<b>2.2</b>	2.15
Discount rate for scheme liabilities	<b>1.65</b>	1.90

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

	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.5</b>	22.1
Females	<b>24.1</b>	24.0
<i>Retiring in 20 years</i>		
Males	<b>22.9</b>	23.7
Females	<b>25.5</b>	25.8

**Sensitivity analysis**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>10,342</b>	8,117
Discount rate -0.1%	<b>11,000</b>	8,570
Mortality assumption - 1 year increase	<b>11,060</b>	8,634
Mortality assumption - 1 year decrease	<b>10,286</b>	8,056



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**22. Pension commitments (continued)**

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

	2020 £	2019 £
Equities	2,060,000	1,859,000
Corporate bonds	462,000	484,000
Property	501,000	421,000
Cash and other liquid assets	334,000	262,000
Target return portfolio	108,000	159,000
Infrastructure	258,000	326,000
Commodities	13,000	21,000
Longevity insurance	(209,000)	(194,000)
<b>Total market value of assets</b>	<b>3,527,000</b>	<b>3,338,000</b>

The actual return on scheme assets was £153,000 (2019 - £185,000).

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

	2020 £	2019 £
Service cost	940,000	821,000
Net interest on the defined liability (asset)	91,000	97,000
Administrative expenses	3,000	3,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>1,034,000</b>	<b>921,000</b>

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

	2020 £	2019 £
Opening defined benefit obligation	8,340,000	6,566,000
Current service cost	940,000	727,000
Interest cost	159,000	175,000
Employee contributions	132,000	116,000
Actuarial losses	1,144,000	739,000
Benefits paid	(49,000)	(77,000)
Past service costs	-	94,000
<b>At 31 August</b>	<b>10,666,000</b>	<b>8,340,000</b>



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

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

	2020 £	2019 £
Opening fair value of scheme assets	3,338,000	2,738,000
Interest income	68,000	78,000
Actuarial (losses)/gains	(399,000)	107,000
Employee contributions	132,000	116,000
Benefits paid	(49,000)	(77,000)
Employer contributions	440,000	379,000
Admin expenses	(3,000)	(3,000)
<b>At 31 August</b>	<b>3,527,000</b>	<b>3,338,000</b>

**23. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	-	3,307

**24. 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Related party transactions**

Owing to the nature of the academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors 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.

S Leavett, partner of A Stephenson, a member of senior management, is employed by the academy trust as a class teacher. S Leavett's appointment was made in open competition and A Stephenson was not involved in the decision-making process regarding appointment. S Leavett is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

A Green, spouse of T Green, a member of senior management, is employed by the academy trust as a development officer. A Green's appointment was made in open competition and T Green was not involved in the decision-making process regarding appointment. A Green is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

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