REGISTERED COMPANY NUMBER: 07923267 (England and Wales)

Trustees' Report and Financial Statements for the Year Ended 31 August 2020 for The Wells Free School (A Company Limited by Guarantee)

Deeks Evans Audit Services Limited
Statutory Auditor
3 Boyne Park
Tunbridge Wells
Kent
TN4 8EN

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Reference and Administrative Details for the Year Ended 31 August 2020

Trustees	Steven George Chair £	
	Chris Dodge - HT #£	Resigned July 2020
	Jean-Pierre Van der Spuy #	Resigned November 2019
	Kate Burrows #	Resigned October 2019
	Jane Page #£	
	Elizabeth Grant #	
	Phillip Makhouli #	Resigned July 2020
	Wayne Gardiner #£	
	Chanchal Sinhamahapatra £	Resigned March 2020
	Anna-Marie Cheeseman #£	Appointed October 2019
	Katherine Le-Page – HT #£	Appointed September 2020
	Ashley Webb #	Appointed September 2020
	David Wilson #	Appointed September 2020
	Fred Quirk #	Appointed September 2020
	Louise Hallam #	Appointed September 2020
	# Teaching and Learning	
	£ School Business Management	
Clerk to Governing Body	Georgina Waghorn	Appointed October 2020
	previously vacant	
Senior Leadership Team		
o Head Teacher	C Dodge	(Resigned July 2020)
	K Le-Page	(Appointed September 2020)
o Assistant Head Teacher	H Weller (nee Gidley)	
o School Business Manager	K Warburton	(on maternity leave)
	E Lewis	(covering maternity leave)
o SENCo	R Akehurst	
Registered Office	The Wells Free School King Charles Square Mount Ephraim Tunbridge Wells Kent TN4 8FA	
Registered company Number	07923267 (England and Wales)	
Independent Auditor	Deeks Evans Audit Services Ltd Registered Auditors Chartered Accountants 3 Boyne Park Tunbridge Wells Kent TN4 8EN	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Solicitors	Stone King 16 St John's Lane London EC1M 4BS	

Trustees' Report
for the Year Ended 31 August 2020

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

The trust operates a primary school for pupils aged 4 to 11 serving a very local catchment area in Tunbridge Wells, Kent. The school will have a capacity of 174 (as of 1 September 2019) and had a roll of 165 pupils counted in the school census in November 2018.

OBJECTIVES AND ACTIVITIES

Our Vision Statement:

The Wells Free School is defined by a focus on the wellbeing and individual achievement of children, a strong community engagement programme, excellent teaching, purposeful learning and an inspiring creative curriculum. It is open to all and aims to ensure all pupils, regardless of their background, achieve their potential.

Objectives, Strategies and Activities
The main objective for the period ended 31 August 2020 was to continue to embed the initiatives introduced in the previous year as well as redesigning the curriculum. In June 2019, the school retained its 'good' status in an Ofsted inspection with many strengths recognised.

The objectives designed to achieve this outcome included the following:

1. Embed an enquiry-led approach to learning with a strong focus on inspiring and challenging all learners
2. Nurture 'learning to learn' principles to enable pupils to fully apply themselves and develop resilience to persist in their efforts and recover from setbacks
3. Expand inter-personal skills through enhanced curricular and enrichment opportunities
4. Increase use of mobile technology to support, enhance and communicate learning
5. Strengthen community engagement and, in particular, intergenerational opportunities
6. Continue to enhance the learning environment in order to celebrate achievement and create a culture for learning

The school's activities for the year ended 31st August 2020 included the following:

- Upskill staff through PL training and use of Bubble resources
- Engage children in highly scaffolded listening activities including use of Word Clouds and Word Catch
- Embed the Create, Discover and Explore themes into the curricular planning
- Plan for internal reconfiguration is submitted to TWBC planning office
- Ensure all staff apply the 'every lesson counts' strategies consistently: Challenge-Explanation-Modelling-Practice-Feedback-Questioning

Public benefit
We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. The governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

ACHIEVEMENT AND PERFORMANCE
Pupils
The reception intake for September 2019 was over-subscribed and the school started the year with pupils in total. By January 2020, the school roll was at its capacity of. Pupil numbers for financial year ending 31 August 2020:

YR - 28 pupils, Y1 - 24 pupils, Y2 - 24 pupils, Y3 - 24 pupils, Y4 - 24 pupils, Y5 - 25 pupils, Y6 - 24 pupils

Available places are usually filled quickly and there are waiting lists for most year groups.

Trustees' Report
for the Year Ended 31 August 2020

Staffing

There were some teaching staff changes during the year with the appointment of an NQT in November 2019. The Assistant Headteacher's role was changed to become the Deputy Headteacher. Several new teaching assistants were appointed as well. At the end of August 2020, the staffing consisted of a Head Teacher, 9 full time teachers (including the Deputy Headteacher & Senco), 10 part-time Teaching Assistants, 4 admin staff and 6 additional support staff. At the end of the Wonder term 2019, the substantive Headteacher announced is resignation. A competitive recruitment process was undertaken by governors and a new substantive Headteacher was appointed, due to take up the post in September 2020.

Monitoring and Review

The school continues to work closely with local schools as a member of the Local Collaborative Trust, which includes external validation and liaison between staff as part of their professional development. The school is currently rated good by Ofsted.

From September 2019 to March 2020, assessment processes were completed in the usual cycles and data analysed and used to support the teaching of any identified gaps. In late March 2020, due to the Covid 19 pandemic, all statutory assessments and associated data was suspended by the Government.

Academic Performance (1 child at TWFS = 4% approx.)

Early Years Foundation Stage

	School	Local (Kent)	National
Good Level of Development			
Exceeding or expected Literacy goals			
Exceeding or expected Mathematics goals			

Phonics (end of Y1)

	School	Local (Kent)	National
% pupils			
% pupils (retake)			

End of KS1 Assessments (end of Y2)

	School	Local (Kent)	National
Reading			
% Meeting or exceeding standard			
% exceeding standard			
Writing			
% Meeting or exceeding standard			
% exceeding standard			
Maths			
% Meeting or exceeding standard			
% exceeding standard			

End of KS2 Assessments (end of Y6)

	School	Local (Kent)	National
Reading			
% Meeting or exceeding standard			
% High score			
Average scaled score			
Writing			
% Meeting or exceeding standard			
% exceeding standard			
Maths			
% Meeting or exceeding standard			
% High score			
Average scaled score			
GPS (Grammar, Punctuation, Spelling)			
% High score			
Average scaled score			

End of KS2 Assessments (end of Y6) (Continued)

Combined R/W/M

Reading progress score

Writing progress score

Maths progress score

ACHIVEMENTS AND PERFORMANCE

Analysis of development and performance during the year

Normal operation of the school, and consequently, the usual governance matters needed to be amended to accommodate the risks resulting from the coronavirus pandemic and the reduced numbers of pupils allowed to attend from March until the end of the academic year.

Along with all schools in England, the school was required to restrict access to the site to the children of key workers and children identified as 'vulnerable'. Staff taught and supervised pupils in school although the provision of school meals had to be halted. Staff in lockdown at home continued to prepare lessons and home learning material.
An online platform called SeeSaw, already familiar to some pupils and staff was used to communicate with pupils and deliver learning materials and activities. Staff also provided support to parents who were supervising home learning.
Additional support was provided to families deemed most in need by the school's leadership group.

In June 2020, as per government guidance, the school was permitted to admit greater numbers of pupils. Initially pupils in Year R, Year 1 and Year 6 were able to return, followed by pupils in Year 5. Risk assessments were undertaken and mitigation measures put in place to make the school as Covid-secure as possible. Learning continued both in class and for pupils remaining at home.

Lockdown has caused significant interruption to the delivery of the curriculum. Despite the best efforts of staff, and although contact was maintained between families and class teachers, it was impossible to guarantee that all children were fully engaged with learning at home. During this period the school had concerns for pupils' mental and physical wellbeing. A significant part of the school's activity in the academic year 2020/21 will be focussed on addressing the multiple learning and wellbeing needs of pupils.

Despite lockdown, Trustees carried out their role in contributing to the work of the school with oversight of the school's activities and provision for pupils. Trustees continued to hold the headteacher to account for the financial performance of the school, as well as scrutinising and signing-off the school's response to the pandemic on behalf of staff and pupils.

This was achieved by contributing to the strategic discussion at Board of Trustees meetings which determine:

- The vision and ethos of the school
- Clear and ambitious strategic priorities and targets for the school
- Adequacy of risk assessment and mitigation measures to limit transmission of the virus
- That all children, including those with additional needs, have access to a broad, balanced and engaging curriculum
- The school's budget, including the use of pupil premium, sports premium and other funding streams
- The securing of high needs education funding where required
- The school's staffing structure and key staffing policies
- The principles used by school leaders to set other policies
- The recruitment of a new, substantive Head Teacher to begin work in September 2020

Trustees held senior leaders to account by monitoring the school's performance; this included:

- Agreeing the outcomes from the headteacher's self-evaluation process and ensuring they are used to inform the priorities in the school development plan
- Asking challenging questions of school leaders
- Ensuring senior leaders have arranged for the required audits to be carried out and receiving the results of those audits
- Ensuring senior leaders have developed the required policies and procedures and the that the school is operating effectively in accordance with those policies
- Acting as link trustees on specific issues, making relevant enquiries with the relevant members of staff and reporting to the Board of Trustees
- Listening to and reporting to the school's stakeholders: pupils, parents, families, staff and the wider community

Trustees' Report
for the Year Ended 31 August 2020

Trustees ensured that the school and its staff had the resources and support they required to do their jobs well, including the necessary expertise on business management, external advice where necessary, effective appraisal and CPD, and emerging and developing premises, and they way in which those resources are used has a positive impact on all concerned.

When required, the Trustees were available to serve on panels of Trustees to:

- Appoint senior leaders
- Appraise the Headteacher
- Set the headteacher's pay and agree the pay recommendations for other staff
- Hear the second stage of any complaints, disciplinary and grievance procedures
- Hear appeals about pupil exclusions

Premises

Whilst the school premises are purpose built, there a number of legacy issues with the quality of the build itself which remain unresolved. These are a significant drain on leaders' time and mean that there is a greater drain on the school budget than is desirable. The school is still exploring a suitable resolution to these issues with all those that are accountable including the Education & Skills Funding Agency.

During the period covered by this document the school has invested time and resource in to a condition improvement fund bid to build an external fire escape. This will ensure that the school is compliant with safety regulations as the school population continues to grow.

FINANCIAL REVIEW

Principal funding sources

The principal funding for the period ended 31 August 2020 was as follows:

- Grant funding from the Education & Skills Funding Agency to cover the cost of teaching and non-teaching staff, curriculum and administrative resources, premises and IT infrastructure.

- Capital grant funding from the Department for Education specifically used for the enhancement of the premises, IT development and the purchase of additional furniture and equipment.

The Business Management Committee meets 3 times per year and also receives regular accounts to be able to monitor expenditure against the budget, which details how these revenues have been spent and forecasts how they will be spent for the year in total.

Key Performance Indicators used include:

- Year to date costs expended versus budget.

- Forecast costs for the year against budget.

- Analysis of variances against budget and actions which may need to be taken.

Investment policy

The school does not anticipate having substantial funds available for long term investments but will hold any substantial funds which are not required in the immediate future on short fixed term deposits as appropriate.

Trustees' Report
for the Year Ended 31 August 2020

Reserves policy
The governors will review the reserve levels of the Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The Trust does not anticipate building up significant reserves; any unallocated income is kept to support the development programme of the school and as a safeguard against future risks with regards to rising costs and smaller than average pupil roll.

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

STREAMLINE ENERGY AND CARBON REPORTING
As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

FUTURE PLANS

A comprehensive School Development Plan has been drawn up to bring together all intended developments for the school and to ensure these are managed, delivered and monitored effectively including costings. The school continues to expand in numbers due to the increased PAN in Reception. This will continue to generate some additional income for the following financial year as well as ensuring that the school can serve the needs of the local community more effectively. This is dependent on improvements to the school building to ensure that fire regulations are not compromised.

There are a number of priorities for the school during the academic year 2020-2021. The school will continue to enhance its curricular provision with a view to reviewing our current broad, balanced and rich curriculum but with the principles of safeguarding and well-being at its heart. Embedding the new Accelerated Reader scheme is a key priority as well as a new phonics scheme, Supersonic Phonic Friends. The focus on reading is to ensure that one hundred percent of our pupils become fluent in decoding and comprehending text, allowing a deeper access to all of their learning. We will also be developing our learning environment with a focus on the outside learning areas in the EYFS, Year 1 and the balconies connected to the classrooms on the upper floors.

After the lock down experienced by many pupils, catch-up learning is also a huge priority with individual pupils supported in identified areas. We will also be focussing more generally on well-being and self-regulation by supporting pupils to use the 'Zones of Regulation' colours during their time in school.

We hope to expand our engagement with our parent community particularly as we move out of the current pandemic towards the end of this academic year.

Trustees will be moving to a two tier structure by the end of the next academic year allowing for additional oversight and stronger governance arrangements. Continuing professional development will be a key focus for all staff and governors throughout the year.

The Trust's initial financial plans for the next 3 years of operation have been approved by the DfE and ESFA and are intended to ensure adequate resources are allocated to ensure the delivery of the Trust's vision.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution
The Wells Free School is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Wells Free School are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Wells Free School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Trustees' Report
for the Year Ended 31 August 2020

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.

Trustees' Indemnities
In accordance with normal commercial practice the school has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Subject to Articles 45 to 81 of the Articles of Association, The Wells Free School shall have the following Governors:

a) Up to 7 Governors to be appointed by Members
b) Up to 3 Community Governors to be appointed by Members
c) Up to 2 Staff Governors to be elected by staff members at the Academy
d) A minimum of 2 Parent Governors to be elected by the parents of pupils at the Academy
e) The Head Teacher

Governing body has reviewed its Articles of Association to enable the school to have a two-tiered structure with 3 members overseeing the work of the trustees (governors). This is planned to be implemented by April 2020 subject to final approval from the Department of Education.

New governors are appointed by the Trust for a period of four years, after which they are eligible for re-election. As of 31 August 2020, the governing body comprises of 4 governors appointed by members, 1 staff governor, 2 parent governors and the Head Teacher.

Organisational structure
The governing body is responsible for key strategic decision-making, including approval of the School Development Plan, approval of the financial budget, appointment of the auditors and approval of the Annual Report and Financial Statements.

The full governing body meets at least three times per year. In addition to this, the School Business Management Committee and the Teaching and Learning Committee meets to support the governing body in carrying out their responsibilities. Each of these committees meets at least three times per year.

The task of running the school on a day-to-day basis is delegated to the Head Teacher assisted by the senior leadership team. The Head Teacher, assisted by the senior leadership team, is responsible for day to day implementation of the school's Improvement Plan and adherence to the school's operating and financial policies.

During the accounting period, the Head Teacher performed the role of accounting officer. The Head Teacher attends all governing body and sub-committee meetings.

Policies and Procedures Adopted for the Induction and Training of Trustees
All Trustees have access to Governor Space, The Key for School Governors and the Inspiring Governance Programme to support training needs as appropriate and are encouraged to attend training provided by Kent Governor Support Services.

FUNDS HELD AS CUSTODIAN FOR OTHERS
The Trust holds no funds held as Custodian Trustee on behalf of others.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES
The financial and risk management objective of The Wells Free School is to ensure the effective financial management of the school and to ensure it delivers its operational objectives within the budget constraints.

Detailed financial regulations are in place and are reviewed annually. These set out the key policies relating to the financial management of the Trust including purchasing, payroll and cash management. Controls are in place to minimise the risk of fraud or error. The financial regulations have been approved by the governing body.

Trustees' Report
for the Year Ended 31 August 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the school and risk mitigation during the period are as follows:

- The school running below capacity due to lack of pupil numbers. Mitigation: effective marketing and ensuring strong community relations resulting in the school being at capacity and having healthy waiting lists by the end of the period.

- The operating costs of running the school in a modern and high-tech building. Mitigation: robust financial processes and procedures in place to support the school's financial and risk management. Effective procedures in place for procurement to achieve good value for money.
- The School's Finance Manager produces detailed financial management reports on income and expenditure against budget and forecast results for the year.
- Inability to recruit suitable staff. Mitigation: development of in-school teacher training systems, effective recruitment and retention systems, opportunities to develop professionally, effective and targeted support for all staff and developing a culture of well-being and an appropriate work-life balance.

AUDITORS

The current auditors are Deeks Evans Audit Services Limited. As part of its annual review of finances, the trustees will be going out to tender for the external auditing process for the next financial year.

Insofar as the trustees are aware:

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

Approved by order of the board of trustees on .....14.12.2020..... and signed on its behalf by:

.....
S George - Trustee

Governance Statement
for the Year Ended 31 August 2020

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 times during the year as a full governing body (FGB). Attendance during the year at meetings of the board of trustees was as follows:

Appointed By	Name	16th September 2019 FGB	11th November 2019 T&L	25th November 2019 SBM	16th December 2019 SBM Pay	18th December 2019 SBM	3rd February 2020 FGB	9th March 2020 T&L	7th May 2020 SBM	8th July 2020 FGB	20th July 2020 FGB	2019 / 2020 summary
GB/board	Steven George	y	y	y	a	a	y	x	y	y	y	7/10
Parent	Jane Page	y	y	x	x	y	y	y	x	y	y	7/7
GB/board	Elizabeth Grant	y	y	y	y	y	y	y	y	y	y	10/10
Parent	Warren Gardiner	y	x	a	y	y	a	x	y	y	y	6/10
Staff	Anna-Marie Cheeseman		x	x	x	x	y	y	x	y	y	4/9
Ex-officio	Chris Dodge	y	y	y	y	y	y	y	y	y	y	10/10
Staff	Kate Burrows	y	a									1/2
Co-opted	Chanchal Sinhamahapatra	y	n	y	a	a	y	x	x			3/8
Parent	Jean-Pierre van der Spuy	y	a									1/2
GB/board	Phil Makhouli	n	y	x	x	a	y	y	x	n	y	4/10
Ex-officio	Katharine Le Page									y	y	2/2

Governance Statement
for the Year Ended 31 August 2020

The Business Management Committee is a sub-committee of the board of trustees. The main responsibilities of this committee are detailed in the financial regulations that have been authorised by the governing body and include:

- initial review and authorisation of the annual budget;
- regular monitoring of actual income and expenditure against budget, the annual outturn against budget and cash flow forecast;
- ensuring annual accounts are produced in line with EFA guidance and requirements of the Companies Act 2006;
- authorising changes to the school's staffing structure;
- reviewing the effectiveness of the financial processes and procedures;
- ensuring that expenditure is in line with the trust's objectives;
- ensuring the school has robust and effective risk analysis procedures.

Review of Value for Money

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

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

Review of Value for Money

- annual review of the Pay Policy alongside the Appraisal Policy for staff, to ensure that payments to staff members are fair, dependent upon performance and provide value for money;
- oversight of resource purchasing and review of resource usage on a termly basis;
- analysis of data from end of key stage results, phonics screening check results and progress measures throughout the school to ensure resources, including human resources, are suitably deployed in order to ensure improvements in standards and rates of progress, with particular focus on progress and attainment for vulnerable groups;
- oversight of the production of monthly budget monitoring reports and analysis of spend against benchmarked data;
- regularly reviewing staff performance against teacher standards, personal targets and whole school targets to ensure best practice and appropriate impact on outcomes for pupils is evident.
- implementing a robust tendering process for contracts for the new building including cleaning, catering and maintenance.

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 charitable company 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 Wells Free School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

Governance Statement for the Year Ended 31 August 2020

The Risk and Control Framework

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

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

The trustees have appointed an experienced staff member to carry out a programme of internal checks.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of the procurement process;
- testing of bank reconciliations.

The reviewer reports to the board of trustees, through the Business Management committee, on the operation of the systems of control and on the discharge of the board or trustees' financial responsibilities.

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 the question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor.
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business Management committee and a plan to ensure continuous improvement of the systems is in place.

Approved by order of the members of the board of trustees on .....14.12.2020..... and signed on its behalf by:

.....
S George - Trustee

.....
Mrs K Le Page - Accounting Officer

Statement on Regularity, Propriety and Compliance for the Year Ended 31 August 2020

As accounting officer of The Wells Free School I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2019.

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

K Le Page

.....
Mrs K Le Page - Accounting Officer

Date: ...14/12/2020.....

Statement of Trustees Responsibilities for the Year Ended 31 August 2020

The trustees (who act as governors of The Wells Free School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, 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" and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

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

The Trustees 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 board of trustees on .....14/12/2020..... and signed on it's behalf by:

.....
S George - Trustee

Report of the Independent Auditors to the Members of The Wells Free School

Opinion

We have audited the financial statements of The Wells Free School (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which indicates that the company incurred a net loss of £67,916 during the year ended 31 August 2020 and, as of that date, the company's current liabilities exceeded its total assets by £180,221. As stated in note 1, these events or conditions along with other matters, indicate that a material uncertainty exist which may cast a doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of The Wells Free School

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Use of our report

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

Richard Young (Senior Statutory Auditor)
for and on behalf of Deeks Evans Audit Services Limited
Statutory Auditor
3 Boyne Park
Tunbridge Wells
Kent
TN4 8EN

Date: 14/12/2020

Independent Reporting Accountant's Assurance Report on Regularity to The Wells Free School and the Education and Skills Funding Agency

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

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

Respective responsibilities of The Wells Free School's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of The Wells Free School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

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

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

Deek. Evans Audit Service, Ltd

Deeks Evans Audit Services Limited
Chartered Accountants
3 Boyne Park
Tunbridge Wells
Kent
TN4 8EN

Date: 14/12/2020

Statement of Financial Activities for the Year Ended 31 August 2020

	Notes	Unrestricted fund £	Restricted General fund £	Restricted Fixed asset fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	9,968	-	9,968	1,090
Charitable activities						
Funding for the academy's educational operations	3	-	865,354	-	865,354	817,657
Other trading activities	4	11,891	18,766	-	30,657	37,563
Investment income	5	58	-	-	58	58
Total		11,949	894,088	-	906,037	856,368
EXPENDITURE ON						
Raising funds	7	6,289	-	-	6,289	14,588
Charitable activities						
Academy's educational operations		-	946,339	21,325	967,664	992,234
Total	6	6,712	946,339	21,325	973,953	1,006,822
NET INCOME/(EXPENDITURE)		5,660	(52,251)	(21,325)	(67,916)	(150,454)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(64,000)	-	(64,000)	(81,000)
Net movement in funds		5,660	(116,251)	(21,325)	(131,916)	(231,454)
RECONCILIATION OF FUNDS						
Total funds brought forward		18,757	(122,332)	55,270	(48,305)	183,149
TOTAL FUNDS CARRIED FORWARD		24,417	(238,583)	33,945	(180,221)	(48,305)

The notes form part of these financial statements

Balance Sheet
At 31 August 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	13		54,496		80,589
CURRENT ASSETS					
Stock	14	6,447		7,227	
Debtors	15	40,201		67,265	
Cash at bank and in hand		72,944		85,235	
		119,592		159,727	
CREDITORS					
Amounts falling due within one year	16	(109,309)		(107,621)	
NET CURRENT ASSETS			10,283		52,106
TOTAL ASSETS LESS CURRENT LIABILITIES			64,779		132,695
Defined benefit pension scheme liability	23		(245,000)		(181,000)
NET (LIABILITIES)/ ASSETS			(180,221)		(48,305)
FUNDS	18				
Restricted funds:					
Restricted General fund		6,417		58,668	
Restricted Fixed asset fund		33,945		55,270	
Pension reserve		(245,000)		(181,000)	
Total restricted funds			(204,638)		(67,062)
Unrestricted funds:					
General fund			24,417		18,757
Total funds			(180,221)		(48,305)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on .....14/12/2020..... and were signed on its behalf by:

.....
S George –Trustee

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	19	(5,176)	(101,452)
Interest paid		(521)	(1,548)
Net cash provided by (used in) operating activities		(5,697)	(103,000)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(6,652)	(9,452)
Interest received		58	58
Net cash provided by (used in) investing activities		(6,594)	(9,394)
Change in cash and cash equivalents in the reporting period		(12,291)	(112,394)
Cash and cash equivalents at the beginning of the reporting period		85,235	197,629
Cash and cash equivalents at the end of the reporting period		72,944	85,235

The notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Wells Free School meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The school incurred a net loss for the year ended 31 August 2020 of £67,916 (31 August 2019: loss £150,454). The trustees and management are reviewing the costs to identify expenditure savings in a number of areas. A small deficit is forecasted for the year ended 31 August 2021 compared to the loss for the year ended 31 August 2020 so it is hoped that reserves and cashflow will improve in future years. Whilst a material uncertainty exists, the trustees and management believe the school will have adequate resources to continue in operational existence for the foreseeable future and then continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Other income

Other income is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES – continued

Allocation and apportionment of costs
Support costs are those that assist in the work of the academy but do not directly represent charitable activities and include administration and building expenses. They are incurred directly in support of the expenditure on the objects of the academy. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable purposes on a basis consistent with the use of the resources.

Tangible fixed assets
Assets costing £250 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, ether from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. All assets costing less than £250 are disposed of in the year that they are brought in to use. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Fixtures, fittings and equipment over 5 years
- ICT equipment over 3 years
- Improvements to property over 10 years

Assets are included at cost and depreciation on these assets is not charged until they are brought into use.

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

Stocks
Unsold uniform stocks are valued at the lower of cost and estimated selling price. Cost is calculated on a first in, first out. formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Liabilities

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

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

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES – continued

Fund accounting
Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency. It is permitted to carry the General Annual Grant forward from one year to the next.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 schemes assets at the beginning of the period by the rate used to discount benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	-	9,968	9,968	1,090

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
General annual grant	-	640,089	640,089	616,669
Other DfE/EFA grants	-	143,044	143,044	132,270
Local authority grants	-	82,221	82,221	68,718
	-	865,354	865,354	817,657

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Other income	11,891	18,766	30,657	37,563

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Deposit account interest	58	-	58	58

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Non-pay expenditure Other costs £	2020 Total £	2019 Total £
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	6,289	6,289	14,588
Charitable activities					
Academies educational operations					
Direct costs	632,352	-	29,185	661,537	658,895
Allocated support costs	92,883	73,164	140,080	306,127	333,338
	725,235	73,164	175,554	973,953	907,812

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

	2020 £	2019 £
Auditors' remuneration	8,150	7,200
Other assurance services	1,100	1,338
Depreciation - owned assets	32,745	50,532

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Purchases	2,631	-	2,631	2,879
Fundraising trading	3,658	-	3,658	11,709
	6,289	-	6,289	22,184

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Direct costs	-	661,537	661,537	658,895
Support costs	-	306,127	306,127	333,338
	-	967,664	967,664	992,233

	2020 Total £	2019 Total £
Analysis of support costs		
Support staff costs	92,175	89,217
Depreciation	32,744	50,532
Technology costs	14,771	15,637
Premises costs	73,164	89,933
Legal costs - other	23,745	13,339
Other support costs	59,570	65,351
Governance costs	9,958	9,329
Total support costs	306,127	333,338

9. TRUSTEES' REMUNERATION AND BENEFITS

The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as trustees. Other trustees did not receive payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

Trustees' expenses

During the period ended 31 August 2020, expenses totalling £708 were reimbursed directly (2019: £791).

10. STAFF COSTS

	2020 £	2019 £
Wages and salaries	554,090	540,048
Social security costs	41,533	44,417
Operating costs of defined benefit pension schemes	123,706	92,154
	719,329	676,619
Supply teacher costs	5,198	23,537
	724,527	700,156

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

10. STAFF COSTS- continued

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

	2020	2019
Teachers	10	8
Administration and support	12	12
Management	1	1
	23	21

There are no employees whose employee benefits (excluding employer pension costs) exceeded £60,000 (2019 – nil).

Key personnel

The key management personnel of the academy trust comprise the headteacher and the senior management team listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £193,894 (2019 - £198,453).

11. TRUSTEES' AND OFFICERS' INSURANCE

There were no trustees or officers insurance incurred in the year (2019 - nil).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted General fund £	Restricted Fixed asset fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital gains	1,090	-	-	1,090
Charitable activities				
Funding for the academy's educational operations	-	817,657	-	817,657
Other trading activities	18,528	19,035	-	37,563
Investment income	58		-	58
Total	19,676	836,692	-	856,368
EXPENDITURE ON				
Raising funds	14,588	-	-	14,588
Charitable activities				
Academy's educational operations	-	950,820	41,414	992,234
Total	14,588	950,820	41,414	1,006,822
NET INCOME/(EXPENDITURE)	5,088	(114,128)	(41,414)	(150,454)
Other recognised gains				
Actuarial gains on defined benefit schemes	-	(81,000)	-	(81,000)
Net movement in funds	5,088	(195,128)	(41,414)	(231,454)
RECONCILIATION OF FUNDS				
Total funds brought forward	13,669	72,796	96,684	183,149
TOTAL FUNDS CARRIED FORWARD	18,757	(122,332)	55,270	(48,305)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

13. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2019	27,615	136,250	119,564	283,429
Additions	-	1,155	5,497	6,652
At 31 August 2020	27,615	137,405	125,061	290,081
DEPRECIATION				
At 1 September 2019	7,895	80,637	114,308	202,840
Charge for year	2,762	24,839	5,144	32,745
At 31 August 2020	10,657	105,476	119,452	235,585
NET BOOK VALUE				
At 31 August 2020	16,958	31,929	5,609	54,496
At 31 August 2019	19,720	55,613	5,256	80,589

14. STOCKS

	2020 £	2019 £
Uniform	6,447	7,227

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	2,056	6,465
Other debtors	3,119	1,922
VAT recoverable	11,769	33,685
Prepayments	23,257	25,193
	40,201	67,265

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	52,179	48,677
Social security and other taxes	7,916	11,583
Other creditors	11,500	11,500
Deferred income	25,764	23,910
Accrued expenses	11,950	11,951
	109,309	107,621

17. 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	18,757	5,660	24,417
Restricted funds			
Restricted General fund	58,668	(52,251)	6,417
Restricted Fixed asset fund	55,270	(21,325)	33,945
Pension reserve	(181,000)	(64,000)	(245,000)
	(67,062)	(137,576)	(204,638)
TOTAL FUNDS	(48,305)	(131,916)	(180,221)

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,949	(6,289)		5,660
Restricted funds				
Restricted General fund	894,088	(946,339)	-	(52,251)
Restricted Fixed asset fund	-	(21,325)	-	(21,325)
Pension reserve	-	-	(64,000)	(64,000)
	894,088	(967,664)	(64,000)	(137,576)
TOTAL FUNDS	906,037	(973,953)	(64,000)	(131,916)

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted Funds			
General fund	13,669	5,088	18,757
Restricted Funds			
Restricted General fund	172,796	(114,128)	58,668
Restricted Fixed asset fund	96,684	(41,414)	55,270
Pension reserve	(100,000)	(81,000)	(181,000)
	169,480	(236,542)	(67,062)
TOTAL FUNDS	183,149	(231,454)	(48,305)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds - continued
Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	19,676	(14,588)	-	5,088
Restricted funds				
Restricted General fund	836,692	(950,820)	-	(114,128)
Restricted Fixed asset fund	-	(41,414)	-	(41,414)
Pension reserve	-	-	(81,000)	(81,000)
	836,692	(992,234)	(81,000)	(236,542)
TOTAL FUNDS	856,368	(1,006,822)	(81,000)	(231,454)

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(131,916)	(231,454)
Adjustments for:		
Depreciation	32,744	50,532
Interest received	(58)	(58)
Interest paid	521	1,548
Decrease/(Increase) in stocks	780	1,154
Decrease/(Increase) in debtors	27,064	(11,886)
Increase in creditors	1,689	7,712
Difference between pension charge and cash contributions	64,000	81,000
Net Cash used in operating activities	(5,176)	(101,452)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	173	41
Cash at bank	72,771	85,194
Total cash and cash equivalents	72,944	85,235

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2020.

22. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

23. PENSION AND SIMILAR OBLIGATIONS

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

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

Teachers' pension scheme

Introduction

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £89,780 (2019: £59,885).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

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% employer administration charge;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,000 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 the CPI. The assumed real rate of return is 2.4% in excess of the prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. the assumed normal rate of return including earnings growth is 4.45%.

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

The next valuation result is due to be implemented from 1 April 2023.
The pension costs paid to TPS in the period amounted to £89,780 (2019: £59,885).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £43,308 (2019: £41,826), of which employer's contributions totalled £33,926 (2019: £32,783) and employees' contributions totalled £9,382 (2019:£9,043). The agreed contribution rates are currently 20%. For future years the rates are 21% from 1 April 2021 and 22.5% from 1 April for employers. For employees the rate is 5.5%.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Fair value of defined benefit obligation	463,000	386,000
Fair value of fund assets	218,000	205,000
Net defined benefit Liability	245,000	181,000

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	76,000	62,000
Net interest from net defined benefit asset/liability	4,000	5,000
Past service cost	-	6,000
	80,000	73,000

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

23. PENSION AND SIMILAR OBLIGATIONS – continued

Actual return on plan assets	13,000	2,000

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

	Defined benefit pension plans	
	2020	2019
	£	£
Defined benefit obligation brought forward	386,000	255,000
Current service cost	76,000	62,000
Past service cost	-	6,000
Contributions by employer	9,000	9,000
Interest cost	7,000	7,000
Actuarial losses/(gains)	40,000	66,000
Change in demographic assumptions	(16,000)	(20,000)
Estimated benefits paid net of transfer	(1,000)	1,000
Experience loss/(gain) in defined benefit obligation	(38,000)	-
	463,000	386,000

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

	Defined benefit pension plans	
	2020	2019
	£	£
Fair value of scheme assets brought forward	205,000	155,000
Contributions by employer	34,000	33,000
Contributions by scheme participants	9,000	9,000
Interest on assets	4,000	5,000
Expected return	13,000	2,000
Estimated benefit paid net of transfer in	(1,000)	1,000
	218,000	205,000

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

	Defined benefit pension plans	
	2020	2019
	£	£
Change in demographic assumptions	16,000	20,000
Experience loss/(gain) in defined benefit obligation	38,000	-
	54,000	20,000

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

	Defined pension 2020	**Benefit plans 2019**
Equities	65%	68%
Gilts	1%	1%
Other bonds	13%	9%
Property	11%	12%
Cash	3%	3%
Absolute return fund	8%	8%

The total return on the fund assets for the year to 31 August 2020 was £17,000 (2019: £7,000).

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

23. PENSION AND SIMILAR OBLIGATIONS – continued

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

	2020	2019
Discount rate	1.65%	1.9%
Future salary increases	3.20%	3.65%
Future pension increases	2.20%	2.15%

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

	At 31 August 2020 Years	At 31 August 2019 Years
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis	At 31 August 2020 £'000	At 31 August 2019 £'000
Present value of obligation		
Discount rate + 0.1%	449	375
Discount rate – 0.1%	477	398
Life expectancy assumption – 1-year increase	479	399
Life expectancy assumption – 1-year decrease	447	373
Long term salary increase + 0.1%	463	386
Long term salary increase – 0.1%	463	386
Pension increase and deferred valuation +0.1%	477	397
Pension increase and deferred valuation -0.1%	449	375

Detailed Statement of Financial Activities for the Year Ended 31 August 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Donations	9,968	1,090
Other trading activities		
Other income	30,657	37,563
	40,625	37,563
Investment income		
Deposit account interest	58	58
Charitable activities		
General annual grant	640,089	616,669
Other DfE/EFA grants	143,044	132,270
Local authority grants	82,221	68,718
	865,354	817,657
Total incoming resources	906,037	856,368
EXPENDITURE		
Costs incurred by trading for a fundraising purpose		
Purchases	2,631	2,879
Fundraising trading	3,658	11,709
	6,289	14,588
Charitable activities		
Wages	478,290	467,254
Social security	39,276	41,946
Pensions	109,588	78,202
Supply teacher costs	5,198	23,537
Technology costs	1,831	664
Educational supplies	21,267	43,096
Staff development	6,087	4,196
	661,537	658,895
Support costs		
Management		
Wages	75,800	72,794
Social security	2,257	2,471
Pensions	14,118	13,952
Technology costs	14,771	15,637
Recruitment and support	555	538
Maintenance of premises and equipment	19,780	25,821
Cleaning	19,086	18,704
Rent and rates	13,028	11,263
Energy costs	6,776	15,656
Insurance	4,054	7,370
Security and transport	10,440	11,059
Catering	32,184	33,989
Improvements to property	2,761	2,761
Carried forward	215,610	232,075

Detailed Statement of Financial Activities for the Year Ended 31 August 2020

	2020 £	2019 £
Management		
Brought forward	215,610	232,075
Fixtures and fittings	24,840	25,632
Computer equipment	5,143	22,138
Bank interest	521	1,548
Other costs	26,310	29,277
	272,424	310,670
Governance costs		
Trustees' expenses	708	791
Other costs	23,745	13,340
Auditors' remuneration	8,150	7,200
Auditors' remuneration for non-audit work	1,100	1,338
	33,703	22,669
Total resources expended	973,953	1,006,822
Net expenditure	(67,916)	(150,454)