

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

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THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Bailey
P Bibby
Dr L Bryant
J Deane
M Fryer
M King
E de la Motte

Governors

E de la Motte, Chair
R Kershaw, Vice Chair¹
J Briggs, Head Teacher and Accounting Officer¹
Dr L Bryant¹
G Buchanan (appointed 23 November 2020)¹
V Folkes (resigned 17 May 2021)
M Fryer¹
R Hall¹
S Howe (appointed 23 November 2020)
N Little
C Marley (resigned 1 July 2021)
N McDowell (appointed 18 May 2021)
C Stow Smith
P Willson (resigned 1 July 2021)¹

¹ Audit and Finance Committee

Company registered number

07699775

Company name

The Federation of Abbey Schools Academy Trust

Principal and registered office

The Federation Of Abbey Schools (Infant Building)
Cleveland Terrace
Darlington
County Durham
DL3 8JA

Company secretary

Oakwood Corporate Secretary Limited

Senior leadership team

J Briggs, CEO, Head Teacher and Accounting Officer
V Folkes, Deputy Head Teacher
J Neasham, Deputy Head Teacher
N S Carbert, Special Needs Coordinator (SENDCO)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Lloyds Bank plc
21-23 Northgate
Darlington
County Durham
DL1 1TL

Solicitors

Wrigleys
19 Cookridge Street
Leeds
LS2 3AG

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving the West End area in Darlington. The academy has a pupil capacity of 630 and had a roll of 612 in the school census on 03 October 2020. Pupils are admitted via Darlington Borough Council Admissions.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Governors of The Federation of Abbey Schools Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Federation of Abbey Schools.

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.

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.

Governors' Indemnities

The academy trust has purchased insurance to protect governors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business.

Method of Recruitment and Appointment or Election of Governors

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Head Teacher or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy trust and the chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two Governors a year, induction tends to be done informally and is tailored specifically to the individual.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Organisational Structure

During the year the academy trust continued to operate a unified management structure. The structure consists of three levels: the Governors, the Senior Leadership Team and the TLR Team (Middle Leaders). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual development plan and budget monitoring for the academy trust by the use of regular reports and making major decisions about the direction of the academy trust, capital expenditure and some senior staff appointments.

The Senior Leadership Team (SLT) includes the Head Teacher and two Deputy Head Teachers, who are responsible for the day to day operation of the academy trust, in particular organising the teaching staff, facilities and pupils. The Special Needs Coordinator (SENDCO) is also a member of the Senior Leadership Team.

The TLR Team consists of seven team leaders, one from each year group, who each lead a year group and a curriculum subject.

Arrangements for setting pay and remuneration of key management personnel

The academy trust uses Performance Management to determine whether a member of staff progresses to the next pay increment and it uses the School Teachers' Pay and Conditions Document (STPCD) as a framework. The school uses an external consultant for the Head Teacher's performance review and the Head Teacher and Senior Leadership Team review all other staff.

Related Parties and other Connected Charities and Organisations

The academy trust is part of the Swaledale Teaching Schools Alliance and works with a partnership of Darlington schools to support development.

Objectives and activities

Objects and Aims

The principal object and activity of the charitable company is the operation of The Federation of Abbey Schools to provide education for pupils of different abilities between the ages of four and eleven.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main aims of the academy trust during the year ended 31 August 2021 are summarised below:

Mission Statement - To provide a high quality, relevant educational community which enables children to achieve their best in a safe, creative and exciting environment. All are valued and inspired to flourish and grow as individuals, leaving us believing anything is possible!

"Aim High, Work Hard, Achieve Together"— is the school motto.

Aims

Our aims reflect our beliefs, values and represent our vision and what we want to achieve as a school community. We endeavour to move the school forward and meet the challenges of an ever changing world.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Aim High

DYNAMIC & INNOVATE

We deliver a dynamic and innovative curriculum that challenges, excites and inspires children to achieve their best and instil in everyone a love of learning.

CELEBRATE SUCCESS

We nurture, support and challenge everyone to perform at their best and feel proud of what they have achieved.

HIGH EXPECTATIONS

We set high expectations to enable pupils to become effective, enthusiastic, independent learners who behave in a way to make parents and school proud.

Work Hard

WELL ORGANISED AND SYSTEMATIC

We will ensure the effective day-to-day running of the school and support strategic leadership and management.

ACCOUNTABLE AT ALL LEVELS

We have a collective responsibility for raised standards and improved pupil outcomes.

COMMUNITY ORIENTATED

We help children develop an understanding of citizenship and empower them to make valuable contributions locally.

Achieve Together

INCLUSION

We treat children and adults fairly, equitably, and with dignity and respect, to maintain an inclusive school culture.

VALUES CENTRED

We foster positive attitudes to all.

LEARNING CENTRED

We will challenge their thinking, help them strive for continuous improvement and are committed to life-long learning and developing a growth mindset.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Objects and Aims (continued)

CARING AND SUPPORTIVE

We will create a happy, caring and supportive environment based on a spirit of co-operation between the school and the local community. We will ensure that the spiritual, moral, social and cultural development of children is at the heart of the school.

Objectives, Strategies and Activities

The aims of the academy trust focus on the core purpose of the school, educating children to be successful learners, confident individuals and responsible citizens. The school improvement plan 2020 – 21 covered four main areas:

1. Engagement - Reading has always been a strength of the school, however in recent years engagement levels from new parents has dropped. The curriculum intent of the school is to reduce the differences in cultural capital and enable all children to be engaged in the curriculum. This was carried on from the previous year with a specific focus on reading of those children most affected by Lockdown.
2. Leadership and Management - To support and develop subject and middle leaders to embed the updated curriculum and ensure the consistent high quality delivery of the school's curriculum intent. Context – There were substantial improvements in middle/subject leadership throughout 2018-19, however Lockdown and COVID had a big impact on subject leadership.
3. Self-Regulation - One of the barriers to our curriculum intent is resilience and increased anxiety. The school is developing and embedding practices to enable pupils to self-regulate. The school is also working with staff to reduce workload and will continue to strive to improve well-being for all at Abbey School. This area was continued into 2020-2021 with an additional focus on wellbeing of pupils and staff.
4. Early Years - To increase challenge through development of the areas of continuous provision and the consistency of the quality of observations.

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under Section 4 of the Charities act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the academy trust should undertake.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic Report

Achievements and Performance

Key performance indicators

The attainment at Key Stage 1 and Key Stage 2 has been excellent and reflects the amount of effort and resourcing that has been given to Teaching and Learning to ensure that the children make as much progress as possible. Attendance across the site is outstanding and above 97%, above the national average, the school has a good reputation in Darlington.

The junior school is rated as good by Ofsted and the infant school outstanding.

Some other key performance indicators are listed below

- Total income per pupil - £ 4,842.10
- Total GAG income per pupil - £ 3,768.40
- Staff costs per pupil - £ 4,155.80
- Total costs per pupil - £ 4,898.70
- Staff costs as % of total costs -84.8%
- Staff costs as % of total income – 85.8%
- Pupil to teacher ratio - 24.8

Going concern

After making appropriate enquiries, the Board of Governors 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic Report (continued)

Financial review

Most of the academy trusts' income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities SORP (FRS 102), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure of £3,427,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, excluding fixed asset funds and pension reserve movements) was £79,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2021 net book value of fixed assets was £3,645,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £1,639,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2021 of £2,277,000 comprising £- of restricted general funds, £3,653,000 of restricted fixed asset funds, a pension deficit of £1,639,000 and £263,000 of unrestricted funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as of 31 August 2021 was £263,000.

Abbey Schools catch-up premium strategy:

- The school's catch-up priorities are to assess which children, groups of children, classes and year groups are most affected by COVID 19 disruptions and then to put plans in place to support the school to catch up on missed/lost learning and to support and improve wellbeing.
- Abbey School will be taking a three tier approach Tier1 – whole class/year group (purchase of standardised assessments, new reading scheme, use of extra teacher and TA's), Tier 2 – groups (Personalised support programme – Century and extra TA support), and Tier 3 -1 to 1,2 or 3 and be using a mixture of tutors, teachers, supply teachers and TA's to support catch up. The school will also be using a proportion for specific resources catch up and for resources and staff to support children's wellbeing.

The overall aims of our catch-up premium strategy:

- To reduce the attainment gap between our disadvantaged pupils and their peers
- To raise the attainment of all pupils to close the gap created by COVID-19 school closures
- To improve the mental health and wellbeing of those children most affected by COVID 19

Total budget for 2020-21 - £49,280

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for Future Periods

The school improvement priorities for the academic year 2021-22 are set out in the school development action plans, they are:

1. Progress - COVID-19 has had a significant negative impact on the progress of many children particularly disadvantaged and lower attainers. Abbey's aim is to reduce the differences through targeted intervention
2. Leadership and Management - To support and develop subject and middle leaders to embed the updated curriculum and ensure the consistent high quality delivery of the school's curriculum intent. Context – This has been on hold most of this academic year. Opportunities for subject leaders to develop further and collaborate with other schools and other leaders are planned for this academic year. Focus will be on training, collaboration, monitoring and impact of whole school strategies around schemata, whole school feedback and meta cognition to include Governor monitoring.
3. Wellbeing - One of the barriers to our curriculum intent is resilience and increased anxiety. The school is developing and embedding practices to enable pupils to self-regulate. More emphasis will be placed on social and emotional education with more planned time and resources used. The school is also working with staff to reduce workload and will continue to strive to improve wellbeing for all at Abbey School with more staff meeting time devoted to emotional wellbeing. This will continue due to increased need.
4. Early Years - Embedding the new curriculum through quality CPD and working collaboratively with other schools.

There will be a greater emphasis on mental health and wellbeing of staff and pupils.

Funds held as custodian on behalf of others

During the period covered by this report, The Federation of Abbey Schools Academy Trust has not held any funds as custodian on behalf of others.

Auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 17 November 2021 and signed on its behalf by:



E de la Motte
Chair

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reserves Policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To provide funds which can be designated to specific areas
- To cover ongoing costs in relation to the running of the academy trust including catering provisions, school trips and uniform costs.

The level of reserves is reviewed by Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £200,000.

This is considered sufficient to cover any unexpected large capital or staffing cost.

The academy trust's current level of free reserves are in surplus by £263,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy trust. The Governors continue to consider additional capital expenditure related to the academy trust's objectives to which the excess reserves may be applied.

Investment Policy

The academy trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal risks and uncertainties

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of significant deficit on the academy trust balance sheet.

The Governors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Governors.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that The Federation of Abbey Schools Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is design 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 to 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 Federation of Abbey Schools 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 directors' Report and in the Statement of directors' Responsibilities. The Board of Governors has formally met 7 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
E de la Motte, Chair	7	7
R Kershaw, Vice Chair	6	7
J Briggs, Head Teacher and Accounting Officer	7	7
Dr L Bryant	6	7
G Buchanan (appointed 23 November 2020)	5	5
V Folkes (resigned 17 May 2021)	4	6
M Fryer	5	7
R Hall	6	7
S Howe (appointed 23 November 2020)	4	5
N Little	4	7
C Marley (resigned 1 July 2021)	5	7
N McDowell (appointed 18 May 2021)	1	1
C Stow Smith	6	7
P Willson (resigned 1 July 2021)	7	7

The Governors update their skills audit and review committee members every year.

The Audit and Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to set the budget and monitor all financial and premises matters. It also has an overview and makes recommendations to the Board of Trustees in relation to internal/external audits and risk management. Employees of the trust are not involved in audit matters, considerations or recommendations. The Chair of the Board is not the Chair of the Audit & Finance Committee.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year was as follows:

Governor	Meetings attended	Out of a possible
Dr L Bryant, Chair	3	3
P Willson, Vice Chair	2	3
J Briggs	3	3
G Buchanan (appointed 23 November 2020)	2	2
M Fryer	3	3
R Hall	3	3
R Kershaw	2	2

Teaching & Learning Sub-Committee

The Teaching and Learning Committee is also a sub-committee of the main Board of Governors. Its purpose is to provide guidance and assistance to the Head Teacher and Board in all matters relating to the curriculum, pupil progress, achievement and behaviour & attendance.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
E L de la Motte (Chair)	3	3
L Bryant (Vice Chair)	2	3
J Briggs	3	3
M Fryer	3	3
S Howe (appointed 23 November 2020)	2	2
N Little	3	3
C Marley (resigned 1 July 2021)	3	3
C Stow Smith	3	3

Review of value for money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy trust delivers good value in 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's resources received.

The Accounting Officer considers how the academy trust'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. The academy trust uses benchmarking data to compare spending with other similar schools, it applied for CIF funding to update the boilers in both academies and has used a tender process to obtain competitive prices for other major works happening within the academy trust. The academy trust reviews contracts regularly.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Federation of Abbey Schools Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 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 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 Governors
- regular reviews by the Audit and Finance 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 Azets as internal auditor.

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

- Risk Register
- School Number Data
- Register of Pecuniary Interests
- Website Review
- Financial Procedures, Accounting Records and Systems
- Whistle Blowing Policy
- School/ Trust Development Plan
- New Governor Induction Pack
- Data Protection & GDPR Compliance
- Month-end and Year-end Procedures
- Management Information and Reports
- Bank Procedures
- Payroll and Joiners & Leavers
- Procurement
- Assets
- Gifts & Hospitality
- Data Security
- Benchmarking
- Compliance & Governance
- Related Party Transactions
- Budgeting & Cashflows
- Top 10 Planning Checks
- GAG Income
- Non-GAG Grant Income
- VAT & Corporation Tax
- Other Income

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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

On a termly basis the auditor reports to the Board of Governors, through the Audit and Finance Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities and on a monthly basis to the Chair and the Head Teacher.

The internal auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

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:

- The work of the internal auditors;
- The work of the external auditors;
- The work of the business team 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 finance committee and ensures continuous improvement of the system in place.

Approved by order of the members of the Board of Governors on 17 November 2021 and signed on their behalf by:



E de la Motte
Chair



J Briggs
Accounting Officer

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Federation of Abbey Schools Academy Trust I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Board of Governors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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.



J Briggs
Accounting Officer
Date: 17 November 2021

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 and signed on its behalf by:



E de la Motte
Chair

Date: 17 November 2021

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST**

Opinion

We have audited the financial statements of The Federation of Abbey Schools Academy Trust (the 'academy trust') for the year ended 31 August 2021 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 2020 to 2021 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 trust's affairs as at 31 August 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trust 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.

Responsibilities of Governors

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

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

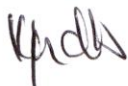
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST (CONTINUED)**

Use of our report

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



Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

Statutory Auditors

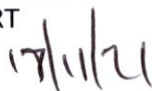
140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

Date:



THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Federation of Abbey Schools Academy Trust during the year 1 September 2020 to 31 August 2021 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 Federation of Abbey Schools 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 Federation of Abbey Schools 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 Federation of Abbey Schools Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Federation of Abbey Schools Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Federation of Abbey Schools Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review Governance structure and number of meetings held; and
- Review whether there is a risk register in place.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen up

Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date:

17/11/21

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Income from:						
Donations and capital grants	3	-	-	24	24	72
Other trading activities		111	66	-	177	148
Investments	6	1	-	-	1	8
Charitable activities		14	2,768	-	2,782	2,527
Total income		126	2,834	24	2,984	2,755
Expenditure on:						
Charitable activities		205	3,006	216	3,427	3,088
Total expenditure		205	3,006	216	3,427	3,088
Net expenditure		(79)	(172)	(192)	(443)	(333)
Transfers between funds	17	-	(38)	38	-	-
Net movement in funds before other recognised gains/(losses)		(79)	(210)	(154)	(443)	(333)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	98	-	98	(278)
Net movement in funds		(79)	(112)	(154)	(345)	(611)
Reconciliation of funds:						
Total funds brought forward		342	(1,527)	3,807	2,622	3,233
Net movement in funds		(79)	(112)	(154)	(345)	(611)
Total funds carried forward		263	(1,639)	3,653	2,277	2,622

The notes on pages 28 to 55 form part of these financial statements.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07699775

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	3,645	3,807
		<u>3,645</u>	<u>3,807</u>
Current assets			
Debtors	15	288	408
Cash at bank and in hand		211	255
		<u>499</u>	<u>663</u>
Creditors: amounts falling due within one year	16	(228)	(321)
Net current assets		<u>271</u>	<u>342</u>
Total assets less current liabilities		<u>3,916</u>	<u>4,149</u>
Net assets excluding pension liability		<u>3,916</u>	<u>4,149</u>
Defined benefit pension scheme liability	23	(1,639)	(1,527)
Total net assets		<u><u>2,277</u></u>	<u><u>2,622</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	3,653	3,807
Restricted funds excluding pension asset	17	<u>3,653</u>	<u>3,807</u>
Pension reserve	17	(1,639)	(1,527)
Total restricted funds	17	<u>2,014</u>	<u>2,280</u>
Unrestricted income funds	17	263	342
Total funds		<u><u>2,277</u></u>	<u><u>2,622</u></u>

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07699775

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

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

The financial statements on pages 24 to 55 were approved by the Governors, and authorised for issue on 17 November 2021 and are signed on their behalf, by:



E de la Motte
Chair



J Briggs
Accounting Officer

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(62)	71
Cash flows from investing activities	20	18	(114)
Change in cash and cash equivalents in the year		(44)	(43)
Cash and cash equivalents at the beginning of the year		255	298
Cash and cash equivalents at the end of the year	21, 22	<u>211</u>	<u>255</u>

The notes on pages 28 to 55 form part of these financial statements

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Federation of Abbey Schools Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 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.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy trust 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.

• **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 trust has provided the goods or services.

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

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

• **Charitable activities**

Expenditure on charitable activities are costs incurred on the academy trust's educational operations, including support costs and those costs relating to the governance of the academy trust appointed to charitable activities

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 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 trust 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets

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

The premises are held on a 125 year lease from Darlington Borough Council. As the risks and rewards have transferred to the academy trust, the asset has been recognised within tangible fixed assets. The initial acquisition was recognised at existing use valuation by DTZ, on behalf of the Education and Skills Funding Agency. The Governors consider that the cost of obtaining an additional valuation would outweigh the benefit.

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

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

Depreciation is provided on the following bases:

Leasehold buildings	- over 22.33/22.75 years
Leasehold land	- over 125 years
Furniture and equipment	- 20% straight line
Computer equipment	- 33.33% straight line

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

1.7 Operating leases

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

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.9 Liabilities and provisions

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. 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 16. 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.

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Pensions

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

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

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

THE FEDERATION OF ABBEY SCHOOLS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. 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 or 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £216,000.

Critical areas of judgement:

Land – Land is held under a 125 year lease from Darlington Borough Council. These assets are included on the balance sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	9	9	-
Capital Grants	15	15	72
	<u>24</u>	<u>24</u>	<u>72</u>
Total 2020	<u>72</u>	<u>72</u>	

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4. Funding for the academy trust's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,310	2,310	2,086
Other DfE/ESFA grants				
Pupil Premium	-	68	68	63
PE and Sport Premium	-	37	37	37
UIFSM	-	103	103	105
Rates	-	9	9	9
Teachers' pay grant	-	29	29	29
Teachers' pension grant	-	81	81	84
Others	-	6	6	-
	-	-	2,643	2,413
Other Government grants				
SEN	-	41	41	39
Local Authority grants	-	2	2	-
Other Government grants	-	9	9	8
	-	52	52	47
Other income from the academy trust's academy's educational operations	14	12	26	67
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	49	49	-
Other DfE/ESFA COVID-19 funding	-	1	1	-
	-	50	50	-
COVID-19 additional funding (non- DfE/ESFA)				
Other COVID-19 funding	-	11	11	-
	-	11	11	-
	14	2,768	2,782	2,527
Total 2020	67	2,460	2,527	

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4. Funding for the academy trust's educational operations (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Teachers' pension grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust received £49k of catch up premium and the costs incurred in respect of this funding totalled £49k.

5. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from facilities and services	80	-	80	65
Rental and Lettings income	17	-	17	14
Other Income	14	66	80	69
	<u>111</u>	<u>66</u>	<u>177</u>	<u>148</u>
Total 2020	<u>86</u>	<u>62</u>	<u>148</u>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	<u>1</u>	<u>1</u>	<u>8</u>
Total 2020	<u>8</u>	<u>8</u>	

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7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	2,343	-	88	2,431	2,058
Allocated support costs	413	313	270	996	1,030
	<u>2,756</u>	<u>313</u>	<u>358</u>	<u>3,427</u>	<u>3,088</u>
Total 2020	<u>2,466</u>	<u>269</u>	<u>353</u>	<u>3,088</u>	

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	<u>2,431</u>	<u>996</u>	<u>3,427</u>	<u>3,088</u>
Total 2020	<u>2,058</u>	<u>1,030</u>	<u>3,088</u>	

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	2,343	1,976
Educational supplies	88	82
	<u>2,431</u>	<u>2,058</u>

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Net interest cost on pension scheme	25	20
Staff costs	413	490
Depreciation	216	198
Staff development	8	7
Technology costs	21	23
Transport	-	1
Maintenance of premises	47	45
Cleaning	26	6
Other premises costs	22	20
Energy	31	26
Rent and rates	9	8
Insurance	13	11
Operating lease rentals	4	6
Catering	53	49
Other costs	97	111
Governance costs	11	9
	<u>996</u>	<u>1,030</u>

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9. Net expenditure

Net expenditure for the year includes:

	2021 £000	2020 £000
Operating lease rentals	4	6
Depreciation of tangible fixed assets	216	198
Fees paid to auditors for:		
- audit	7	7
- other services	1	2
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	1,960	1,809
Social security costs	162	148
Operating costs of defined benefit pension schemes	607	495
	<u>2,729</u>	<u>2,452</u>
Agency staff costs	27	9
Staff restructuring costs	-	5
	<u>2,756</u>	<u>2,466</u>

Included in operating costs of defined benefit pension schemes is a debit of £185,000 (2020: £124,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2021 £000	2020 £000
Severance payments	-	5
	<u>-</u>	<u>5</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £nil (2020: £nil).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	31	30
Administration and support	77	71
Management	3	3
	<u>111</u>	<u>104</u>

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10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the academy trust 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 trust was £317,000 (2020: £322,000).

11. Central services

The academy trust has provided the following central services to its academies during the year:

- financial services
- human resources
- technology support services
- educational support services

The academy trust charges for these services on the following basis:

allocation based on pupil numbers

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Abbey Infant School	14	14
Abbey Junior School	17	18
Total	<u>31</u>	<u>32</u>

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12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. 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:

		2021 £000	2020 £000
J Briggs, Head Teacher	Remuneration	70 - 75	65 - 70
	Pension contributions paid	15 - 20	15 - 20
V Folkes (resigned 17 May 2021)	Remuneration	40 - 45	55 - 60
	Pension contributions paid	10 - 15	10 - 15
C Stow Smith	Remuneration	20 - 25	20 - 25
	Pension contributions paid	0 - 5	0 - 5
H Parkinson (resigned 6 November 2019)	Remuneration	-	0 - 5
	Pension contributions paid	-	0 - 5
J L Scott (resigned 2 July 2020)	Remuneration	-	15 - 20
	Pension contributions paid	-	0 - 5

During the year ended 31 August 2021, total Governor expenses incurred was £543 (2020 - £35).

During the year, no Governors received any benefits in kind (2020 - £NIL)

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 is included in the total insurance cost.

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14. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2020	4,667	565	151	5,383
Additions	-	23	31	54
At 31 August 2021	4,667	588	182	5,437
Depreciation				
At 1 September 2020	1,112	334	130	1,576
Charge for the year	130	62	24	216
At 31 August 2021	1,242	396	154	1,792
Net book value				
At 31 August 2021	3,425	192	28	3,645
At 31 August 2020	3,555	231	21	3,807

15. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	8	9
VAT recoverable	11	22
Prepayments and accrued income	67	91
Short term cash investments	202	286
	288	408

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16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	29	35
Other taxation and social security	41	34
Other creditors	50	43
Accruals and deferred income	108	209
	<u>228</u>	<u>321</u>
	<u><u>228</u></u>	<u><u>321</u></u>
	2021 £000	2020 £000
Deferred income		
Deferred income at 1 September 2020	71	73
Resources deferred during the year	76	71
Amounts released from previous periods	(71)	(73)
	<u>76</u>	<u>71</u>
Deferred income at 31 August 2021	<u><u>76</u></u>	<u><u>71</u></u>

At the balance sheet date the academy trust was holding funds in relation to the Universal Infant Free School Meals grant, rates relief and fundraising income which straddle the academic year.

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17. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted funds	342	126	(205)	-	-	263
Restricted general funds						
General Annual Grant (GAG)	-	2,310	(2,272)	(38)	-	-
Pupil Premium	-	68	(68)	-	-	-
Other DfE / ESFA	-	265	(265)	-	-	-
SEN	-	41	(41)	-	-	-
Other government grants	-	12	(12)	-	-	-
Catch-up premium	-	49	(49)	-	-	-
Other income	-	78	(78)	-	-	-
COVID – 19 additional funding (ESFA/DfE grant)	-	11	(11)	-	-	-
Pension reserve	(1,527)	-	(210)	-	98	(1,639)
	(1,527)	2,834	(3,006)	(38)	98	(1,639)
Restricted fixed asset funds						
Legacy Assets	3,165	-	(109)	-	-	3,056
Devolved Formula Capital	48	15	(25)	-	-	38
Academies Capital Maintenance Fund	141	-	(9)	-	-	132
Capital expenditure from GAG	387	-	(53)	38	-	372

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17. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
ESFA PE Grant Fund	2	-	(2)	-	-	-
Universal Infant Free School Meals	4	-	(3)	-	-	1
Pupil Premium	2	-	-	-	-	2
Unrestricted fund	1	-	(1)	-	-	-
Condition Improvement Fund	57	-	(12)	-	-	45
ESFA Donations	-	9	(2)	-	-	7
	<u>3,807</u>	<u>24</u>	<u>(216)</u>	<u>38</u>	<u>-</u>	<u>3,653</u>
Total Restricted funds	<u>2,280</u>	<u>2,858</u>	<u>(3,222)</u>	<u>-</u>	<u>98</u>	<u>2,014</u>
Total funds	<u><u>2,622</u></u>	<u><u>2,984</u></u>	<u><u>(3,427)</u></u>	<u><u>-</u></u>	<u><u>98</u></u>	<u><u>2,277</u></u>

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17. Statement of funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy trust including salaries and related costs, overheads, repairs and maintenance and insurance. £38,000 was spent on fixed assets and has been transferred into restricted fixed assets.

Pupil Premium relates to additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA grants include monies received in relation to a PE Sport grant to promote PE and sport and Universal Infant Free School Meals grant to provide free school meals for infants. Teachers' pay grants and Teachers' pension grants are also included here.

SEN relates to special education needs funding from the local authority.

Other Government grants includes monies received in respect of ILS funding to support students with additional educational needs.

Catch-up premium is used to fund specific activities to support the pupils' education recovery.

Other Covid-19 funding relates to funding received from the local authority for the purchase of free school meal vouchers.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academies was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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17. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds	388	161	(207)	-	-	342
Restricted general funds						
General Annual Grant (GAG)	126	2,086	(2,103)	(109)	-	-
Pupil Premium	-	63	(63)	-	-	-
SEN	-	39	(39)	-	-	-
Other DfE/ESFA Grants	-	264	(264)	-	-	-
Other Government grants	-	8	(8)	-	-	-
Other income	-	62	(62)	-	-	-
Pension reserve	(1,105)	-	(144)	-	(278)	(1,527)
	(979)	2,522	(2,683)	(109)	(278)	(1,527)
Restricted fixed asset funds						
Legacy Assets	3,271	-	(106)	-	-	3,165
Devolved Formula Capital	60	15	(27)	-	-	48
Academies Capital Maintenance Fund	150	-	(9)	-	-	141
Capital expenditure from GAG	326	-	(48)	109	-	387
ESFA PE Grant Fund	3	-	(1)	-	-	2
Universal Infant Free School Meals	7	-	(3)	-	-	4

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17. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Pupil Premium	5	-	(3)	-	-	2
Unrestricted fund	2	-	(1)	-	-	1
Condition Improvement Fund	-	57	-	-	-	57
	<u>3,824</u>	<u>72</u>	<u>(198)</u>	<u>109</u>	<u>-</u>	<u>3,807</u>
Total Restricted funds	<u>2,845</u>	<u>2,594</u>	<u>(2,881)</u>	<u>-</u>	<u>(278)</u>	<u>2,280</u>
Total funds	<u><u>3,233</u></u>	<u><u>2,755</u></u>	<u><u>(3,088)</u></u>	<u><u>-</u></u>	<u><u>(278)</u></u>	<u><u>2,622</u></u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Abbey Infant School	138	197
Abbey Junior School	<u>125</u>	<u>145</u>
Total before fixed asset funds and pension reserve	263	342
Restricted fixed asset fund	3,653	3,807
Pension reserve	<u>(1,639)</u>	<u>(1,527)</u>
Total	<u><u>2,277</u></u>	<u><u>2,622</u></u>

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Abbey Infant School	1,004	177	38	157	1,376	1,239
Abbey Junior School	1,340	236	50	209	1,835	1,651
Academy trust	2,344	413	88	366	3,211	2,890

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	3,645	3,645
Current assets	261	230	8	499
Creditors due within one year	2	(230)	-	(228)
Provisions for liabilities and charges	-	(1,639)	-	(1,639)
Total	263	(1,639)	3,653	2,277

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	3,807	3,807
Current assets	348	315	-	663
Creditors due within one year	(6)	(315)	-	(321)
Provisions for liabilities and charges	-	(1,527)	-	(1,527)
Total	342	(1,527)	3,807	2,622

19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(443)	(333)
Adjustments for:		
Depreciation	216	198
Capital grants from DfE and other capital income	(71)	(72)
Defined benefit pension scheme cost less contributions payable	185	124
Defined benefit pension scheme finance cost	25	20
Decrease in debtors	120	3
(Decrease)/increase in creditors	(93)	139
Dividends, interest and rents from investments	(1)	(8)
Net cash (used in)/provided by operating activities	(62)	71

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20. Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	1	8
Purchase of tangible fixed assets	(54)	(195)
Movement in investments	-	1
Capital grants from DfE Group	62	72
Capital funding received from others	9	-
Net cash provided by/(used in) investing activities	<u>18</u>	<u>(114)</u>

21. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	211	255
Total cash and cash equivalents	<u>211</u>	<u>255</u>

22. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	255	(44)	211
Liquid investments	286	(84)	202
	<u>541</u>	<u>(128)</u>	<u>413</u>

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23. Pension commitments

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 Durham County Council. 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 2019.

Contributions amounting to £48,000 were payable to the schemes at 31 August 2021 (2020 - £42,000) and are included within creditors.

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.

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 £266,000 (2020 - £242,000).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £198,000 (2020 - £165,000), of which employer's contributions totalled £156,000 (2020 - £129,000) and employees' contributions totalled £ 42,000 (2020 - £36,000). The agreed contribution rates for future years are 17.8 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	85.00	85.00

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

	2021 Years	2020 Years
Retiring today		
Males	22.3	22.2
Females	24.3	24.2
Retiring in 20 years		
Males	23.3	23.2
Females	25.8	25.7

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(94)	(78)
Discount rate -0.1%	94	78
Mortality assumption - 1 year increase	(145)	(117)
Mortality assumption - 1 year decrease	149	120
CPI rate +0.1%	82	68
CPI rate -0.1%	(82)	(68)

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23. Pension commitments (continued)

Share of scheme assets

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

	2021 £000	2020 £000
Equity instruments	1,292	845
Corporate bonds	394	252
Property	141	122
Cash	100	84
Government bonds	353	409
Total market value of assets	<u>2,280</u>	<u>1,712</u>

The actual return on scheme assets was £362,000 (2020 - £22,000).

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

	2021 £000	2020 £000
Current service cost	(341)	(253)
Interest income	31	31
Interest cost	(56)	(51)
Total amount recognised in the Statement of Financial Activities	<u>(366)</u>	<u>(273)</u>

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

	2021 £000	2020 £000
At 1 September	3,239	2,654
Current service cost	341	253
Interest cost	56	51
Employee contributions	42	36
Actuarial losses	233	269
Benefits paid	8	(24)
At 31 August	<u>3,919</u>	<u>3,239</u>

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

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

	2021 £000	2020 £000
At 1 September	1,712	1,549
Expected return on assets	31	31
Actuarial gains/(losses)	331	(9)
Employer contributions	156	129
Employee contributions	42	36
Benefits paid	8	(24)
At 31 August	<u>2,280</u>	<u>1,712</u>

24. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Amounts payable:		
Within 1 year	2	4
Between 1 and 5 years	-	2
Total	<u>2</u>	<u>6</u>

25. Related party transactions

Owing to the nature of the academy trust 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. The following related party transactions took place in the financial period.

James Rochester Heating and Plumbing - a company in which C Rochester (Chief Financial Officer) has a majority interest:

The academy trust purchased heating and plumbing services from James Rochester Heating and Plumbing totalling £5,000 during the period.

The academy trust made the purchases at arms' length following a competitive tendering exercise in accordance with the financial regulations, which C Rochester neither participated in, nor influenced.