

Company Registration Number: 09148479 (England & Wales)

**Attwood Academies**

(A company limited by guarantee)

**Annual report and financial statements**

**for the year ended 31 August 2019**

**Attwood Academies**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

T R Attwood (resigned 12 December 2019)  
S M Attwood (resigned 12 December 2019)  
The Attwood Education Foundation  
B Hayes (appointed 12 December 2019)  
W Casement (appointed 12 December 2019)  
J Zendel (appointed 12 December 2019)

**Trustees**

T R Attwood, Chair of Board of Directors<sup>1,2,3,4</sup>  
S M Attwood<sup>1</sup>  
A F X Green<sup>1,2,3,4</sup>  
S C Gough<sup>1,2,4</sup>  
S L Foley (appointed 7 June 2019)<sup>1</sup>  
J P Sale (resigned 15 March 2019)<sup>1,2</sup>  
C H Sale, Principal (resigned 15 March 2019)<sup>1,2,3</sup>

<sup>1</sup> Member of Trust Board

<sup>2</sup> Member of Finance Committee

<sup>3</sup> Member of Education Committee

<sup>4</sup> Member of Special Schools Committee

**Company registered number**

09148479

**Company name**

Attwood Academies

**Registered office**

Manor House  
Slip Mill Road  
Hawkhurst  
Cranbrook  
Kent  
TN18 5AE

**Company secretary**

S Foley

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
for the year ended 31 August 2019

**Senior leadership team**

C H Sale, Principal of Bexhill High Academy  
V Norris-Wright, Senior Vice Principal of Bexhill High Academy  
E Gordon, Vice Principal of Bexhill High Academy  
P Mendela, Vice Principal of Bexhill High Academy  
J P Sale, Business Director  
P Gordon, Assistant Vice Principal of Bexhill High Academy  
T Hillman, Assistant Vice Principal of Bexhill High Academy  
H Simon, Assistant Vice Principal of Bexhill High Academy  
T Jefferson, Principal of Ian Mikardo High School  
J Pierzchniak, Director of Safeguarding of Ian Mikardo High School  
L Bowman, Chief Operating Officer of Ian Mikardo High School  
C Lillis, Chief Executive Officer of Ian Mikardo High School

**Independent auditors**

Kreston Reeves LLP  
Statutory Auditor  
Chartered Accountants  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

**Bankers**

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

**Member Schools**

Bexhill High Academy  
Ian Mikardo High School

**Other addresses**

Bexhill High Academy  
Gunters Lane  
Bexhill-on-Sea  
TN39 4BY

Ian Mikardo High School  
60 William Guy Gardens  
Talwin Street  
London  
E3 3LF

**Attwood Academies**  
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**Directors' report**  
**for the year ended 31 August 2019**

The directors (who are also trustees of the charity for the purposes of the Charities Act) present their annual report together with the audited financial statements and Auditors' report of Attwood Academies (the Academy Trust) for the period ended 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Academy Trust operates one secondary and one special school academy in the south east of England.

Bexhill Academy is an academy for pupils aged 11 16 serving the catchment area of Bexhill on Sea and the surrounding parishes. It has a pupil capacity of 1650 and a roll of 1243. The Academy Trust were appointed as the new sponsors of Bexhill Academy on 1 December 2014.

Ian Mikardo High School (IMHS) is a special school for pupils aged 11 19 serving the locality of Tower Hamlets, London and neighbouring local authorities. It has a pupil capacity of 50 students with a funded pupil roll of 56 students in 2018/19. IMHS became a member of the Attwood Academies Trust on 1st February 2019. It left the Trust on 1 September 2019 to form a new Trust, the T4 trust. As such, forward looking statements in this report do not include it.

## **Structure, governance and management**

### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The trustees of the Attwood Academies Trust are also the directors for the purposes of company law. The terms trustee, director and governor are interchangeable. The Charitable Company is known as Attwood Academies.

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

### **Members' liability**

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

### **Directors' and officers' indemnities**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the directors and officers indemnity element from the overall cost of the RPA scheme.

### **Appointment of Board Members**

The Members/Directors/Trustees/Governors are referred to as 'directors' and together form the 'Board'. There are different classes of board members as described below. All board members are appointed for four years:

**Members:** are appointed by the Members of the Academy Trust who established the Academy Trust Company, including themselves.

**Trustees:** Trustees are appointed by the members

**Co opted Trustees:** Co opted Trustees appointed by the Board.

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**Directors' report (continued)**  
**for the year ended 31 August 2019**

**The Principal (Bexhill Academy):** The articles of Association include this post ex officio by virtue of office held. Restructure of the Trust Board in preparation of a proposed merger with additional schools led to a temporary position from 15.03.19 where the principal has not been a Trustee.

**Policies and procedures adopted for the induction and training of directors**

New directors attend a training program. The induction program includes a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as directors with particular emphasis on the committee work that they will undertake.

**Organisational structure**

The governance of the Academy Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

During 2018/19 The Trust operated with two divisions, one to operate each of its two schools. These divisions were the East Sussex committee, and the special schools committee. Both were individually responsible for the running of their schools, on behalf of the main board, including finance, educational and operational performance. Full accountability remained with the main Trust board, which was kept informed of, and had oversight of each division through reporting performed at the Trust board by representatives of each committee.

The Trust Board meets at least once per term and is responsible for the strategic direction of the Academy Trust and agreement of the performance objectives for the Principal of Bexhill Academy and CEO of the AAT Special Schools Division.

Each division has educational and finance meetings held at least termly. They approve major expenditure requests, set the budget, organise staffing structures and review progress towards educational objectives, on behalf of the board.

The Principal of Bexhill Academy and CEO of the Trust was the designated Accounting Officer. She stepped down as accounting officer on 31st December 2018 and was replaced by the finance director of the Trust. She also stepped down as a trustee on 15 March 2019.

At both Academies, the Principals, where appropriate, have delegated financial management responsibilities to the Business Director, and responsibilities are further delegated to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Principals of Bexhill Academy and Ian Mikardo High School manage the academies within the Trust on a daily basis supported by a Senior Leadership Team (SLT). The Principals and their SLT meet frequently to discuss emerging matters and develop strategies for future development. Each member of the SLT has specific responsibilities to assist the Principal to manage certain aspects of the academy with the Trust.

The members meet at least once each year to hold an Annual General Meeting.

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

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of a reporting entity, directly or indirectly, including any director. The key, paid management personnel within the organisation are members of the Senior Leadership Team. Annual remuneration reviews are carried out for SLT members by their senior line managers (normally the Principal). Recommendations are taken for approval to the remuneration review committee, made up of two Trust Board Members. Any annual remuneration awards are linked directly to performance targets.

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Directors' report (continued)  
for the year ended 31 August 2019

**Trade union facility time**

*Relevant union officials*

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.9

*Percentage of time spent on facility time*

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

Percentage of pay bill spent on facility time (Bexhill Academy)

Total cost of facility time	£734
Total pay bill (rounded)	£5,29,410
Percentage of the total pay bill spent on facility time	< 0.1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	33%
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**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Academy Trust's operations and the composition of the Trust Board being drawn from a cross section of the local and wider community, transactions may take place with organisations in which a director has an interest. In the event of any transactions involving such connected organisations, interests are declared and transactions conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

**Related party transactions during 2018/19**

- 1) There was related party transactions in 2017/18 between a Trustee, The Attwood Education Foundation (AEF), and IMHS, whereby AEF advanced funding to IMHS for consultancy services provided by an independent party, and was subsequently repaid by IMHS, without any financial gain to AEF.
- 2) During the year, the Academy Trust invoiced £10,000 to the Attwood Education Foundation, a member of the Academy Trust and a charitable organisation in which T Attwood, S Attwood and S Gough are directors. The invoice from the Academy Trust was for finance services provided to the Attwood Education Foundation. At 31 August 2019, there is no amount outstanding.

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**Directors' report (continued)**  
**for the year ended 31 August 2019**

**Objectives and Activities**

**The Trust's Objects and aims**

The Articles of Association of the Academy Trust Company specifically states the Academy Trust's object is: 'To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Need ("the Special Academies").

**East Sussex division**

The principal object and aim of the division is the operation of Bexhill Academy to provide free education and care for pupils of different abilities between the ages of 11 and 16.

Our vision of Bexhill Academy is to be the school of first choice within the local community. We aim to be a centre of excellence with the highest standards of achievement in all subjects, and operate a care and guidance system which promotes personal growth. To achieve this vision we know that we will need to retain, recruit and train the best staff available. We try to create opportunities for everyone to make a contribution to the development and improvement of the school.

Our curriculum is regularly reviewed and we aim to be innovative and supportive of our learners, particularly those with additional needs. We are proud of our strong community partnerships and we operate in an inclusive manner for all students within our community. We are committed to closing the progress gaps that historically exist between pupil premium and non-pupil premium students.

Student participation and leadership are vital to the health of the school and we promote these opportunities through our house system and our student council. The staff offer an extensive extracurricular programme to provide educational and sporting opportunities to all students.

Our list of guiding principles (to be focused, aspirational, independent and resilient) sets out what we aim to achieve for our students, staff and local community. These principles are supported by a range of policies that govern how we put them into practice every day.

**Key objectives targeted were:**

- 1) To make significant improvements in student learning progress, These improvements are measurable independently through KS4 GCSE results.
- 2) To focus on improving the learning progress of pupil premium students who represent over one third of the student body, and close the gap of learning attainment when compared with non-Pupil premium Students.
- 3) To continue to grow the confidence of the local community and improve on recruitment of year 7 pupils from local feeder primaries and the wider catchment area.

**Success measures are:**

- 1) The progress 8 score improved significantly from 2017/18 (-0.51) to - 0.34 in 2018/19.
- 2) The Pupil Premium progress 8 score improved significantly from 2017/18 (-1.04) to -0.6 in 2018/19. English and Maths Pupil premium 'gaps' are shown in comparison to the prior year in the table below.



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**Directors' report (continued)**  
for the year ended 31 August 2019

Level of attainment	2017/18 attainment gap	2018/19 attainment gap
4+	32.50%	12.74%
5+	24.30%	10.72%

3) September 2019 applications exceeded the 330 PAN, with 346 applications. (The forecast demand for places had been 320 students based on historical recruitment. Demand from the main local feeder Primaries remained at historical highs, combined with cross border demand from the Hastings District).

**Special schools division**

The principal objective and aim of the Board is the operation of IMHS to provide outstanding education and care for 50 SEMH students aged 10-19 from London and neighbouring counties.

Our vision of IMHS is for it to be a leading world class provider for some of society's most hard to reach children. We aim to develop a pedagogy that ensures that the students who arrive with a past of complex needs and failures in previous educational establishments, leave with a clear positive future in education, employment and training.

The key to achieving this vision is a strong leadership and staff team who offer a holistic approach to education, aiming to improve the life chances of students and families.

The student population have highly complex needs, including more than 80% of whom live in some of the UK's most socially disadvantaged families and wards, meet the criteria for troubled families and are on benefits or under-employed and receive free school meals / pupil premium. All of our children have statements of SEN/SEMH and 92% have speech and language difficulties.

All our children are characterised by their complex needs; and almost all relate to on-going dysfunctional/volatile family backgrounds and emotional difficulties students experience as a result.

The school aims to have an outstanding outcome for all students ensuring that when they leave IMHS they are all gainfully employed or in further education.

**Key objectives targeted were:**

- 1) To design a new curriculum based on the new Ofsted framework
- 2) To ensure students who leave Ian Mikardo High School are able to lead healthy and fulfilling lives
- 3) To ensure financial sustainability through increase in student numbers, the consolidation of the new banding structure and review of expenditure

**Success Measures are:**

- 1) The new curriculum framework has been designed, and there are plans to implement and embed this over the course of 19/20 which will include recruitment and training of appropriately qualified staff
- 2) Outcomes for students leaving in 2019 – all students progressed to further education, with a wide range of successful additional technical and vocational qualifications obtained
- 3) The number on roll at IMHS increased to 52 students by the end of the academic year and the school worked with 15 commissioning authorities with the majority of students referred through the new banding system. The Executive team and special schools committee have also reviewed expenditure on a monthly basis to ensure this is in line with budget.

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**Directors' report (continued)**  
for the year ended 31 August 2019

**Public benefit**

The directors believe that by working towards the objects and aims of the schools as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and defined by FRS102 as 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.

Bexhill Academy accepts students from the locality of Bexhill on Sea in line with the identical admissions policy adhered to by East Sussex and welcomes students of all abilities. The Academy and encompasses a high needs specialist provision for students diagnosed with autism.

Ian Mikardo High School accepts students with high social, emotional, and mental health needs from the Borough of Tower Hamlets and neighbouring local authorities. Students are recommended for placement by the local authorities and independently assessed by the Academy to ensure that the students' needs are met.

**Achievements and performance**

**Bexhill Academy**

	2018 Boys 84	2018 Girls 94	2018 %	2019 Boys	2019 Girls	2019
English and Maths 9 to 4	52.83	48.94	50.56	45.28	50.49	47.85
English and Maths 9 to 5	38.1	28.72	33.15	20.75	33.01	26.79
English 9 to 4	64.29	67.02	65.73	56.6	76.7	66.51
English 9 to 5	45.24	52.13	48.88	42.45	61.17	51.67
English 9 to 7	13.1	17.02	15.17	10.38	21.36	15.79
Maths 9 to 4	60.71	52.13	56.18	55.66	53.4	54.55
Maths 9 to 5	48.81	35.11	41.57	26.42	33.01	29.67
Maths 9 to 7	14.29	7.46	10.67	8.49	9.71	9.09
<b>A*-C 2 Sciences</b>	<b>51.85</b>	<b>48.86</b>	<b>50.3</b>	<b>54</b>	<b>55.67</b>	<b>54.82</b>

**Ian Mikardo High School**

Entry Level Cert.	N.O of Entries	Grades		U	%pass	
		EL1	EL2			
English	5	-	-	1	4	20%
Maths	4	1	-	3	-	100%
Functional Skills (L1&2)	N.O of Entries	Grades		L1 - Pass	L2 - Pass	%pass
		Level 1	Level 2			
English	3	2	-	2	-	100%
Maths	4	(AQA)	-	2	-	50%
		(Edexcel)				

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Directors' report (continued)  
for the year ended 31 August 2019

GCSE	N.O of Entries	Grades					%pass
		U	1	2	3	4	
Maths	3	1	-	2	-	-	66%
Science	3	1	-	2	-	-	66%
		U		Level 1			
Preparation for Working Life	4	1			3		75%

BTEC's	N.O of Entries	Grades		%pass
		Pass	No Grade	
Introduction to Hair & Beauty – Entry Level 3 Award.	2	2	0	100
Home Cooking Skills – Level 1 Award	4	3	1	75%

**Key Financial Performance Indicators**

**Bexhill Academy**

The Trust measures the performance of the Bexhill Academy based on:

- 1) meeting educational targets (detailed in objectives, strategies and activities)
- 2) addressing operational financial KPI's while adhering to these general principals:
  - Maintaining a 3 year balanced budget, utilising annual income and, as applicable, brought forward reserves, to fund annual required expenditure.
  - Ensuring best value is obtained in the procurement of resources, to ensure that these are used to the maximum possible benefit of student outcomes.
  - Maintaining efficient staffing levels to meet both teaching and operational support staff requirements.
- 3) Consideration and comparison of key financial indicators compared with the prior year and target while maintaining and, where educational outcomes are not adversely affected, improved efficiencies. National averages are used to benchmark levels of efficiency.

**Pupil numbers** – Parental decisions are made for September enrolment in the prior year therefore the year 7 roll for 2020/21 is a KPI for 2019/20.

Year	19/20	18/19	17/18
7	327	283	304
8	285	304	210
9	305	218	223
10	226	215	224
11	218	223	184
<b>Total</b>	<b>1361</b>	<b>1243</b>	<b>1145</b>

**Pupil Teacher ratio** – the number of students per teaching member employed (includes teaching SLT members) indicates the efficiency of teacher deployment.

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**Directors' report (continued)**  
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<b>Pupil teacher ratio</b>	<b>2018/19</b>	<b>2016/17</b>
Bexhill Academy	17.8	17.1
Kreston Reeves Academies	17.0 (single Academy)	17.4
Benchmark report average		

**Total expenditure per pupil excluding depreciation.**

<b>Expenditure per pupil</b>	<b>2018/19</b>	<b>2017/18</b>
Bexhill Academy	£5,704	£5,585
Kreston Reeves Academies	£6,478 (single Academy)	£6,642
Benchmark report average		

**Ian Mikardo High School**

The Trust measures the performance of the Ian Mikardo school based on consideration and comparison of key performance indicators against the previous term, and previous year where applicable:

They include:

- Pupil numbers; and
- Average income per pupil

**Pupil numbers:** as an SEMH school, Ian Mikardo accepts pupils through referral from a commissioning Local Authority and all referrals are subject to a rigorous assessment process to ensure the success of the placement. Therefore, both numbers on roll and numbers in referral are monitored as a KPI by the board.

<b>Year</b>	<b>Projected 18/19 Summer term</b>	<b>Projected 18/19 Spring term</b>	<b>October 2018</b>	<b>February 2019</b>	<b>May 2019</b>
<b>In referral</b>	10	10	25	25	27
<b>On roll</b>	50	48	43	49	52

**Average income per pupil:** as an SEMH school, Ian Mikardo relies on the commissioning Local Authorities for the majority of its income. This income can be difficult to forecast due to the variability in pupils on roll, and the variability in rates and procedures between London boroughs. As such, the average income per pupil is monitored termly by the Special schools Committee alongside the number of students on roll to ensure sufficient income for continuing operations.

<b>Year</b>	<b>Projected 18/19</b>	<b>Actual 18/19</b>	<b>Projected 19/20</b>
<b>Average income per pupil</b>	£57k	£52k	£55k

Average income per pupil was slightly lower than projected due to a slow build up in pupil numbers during the Autumn term. This was a decision taken by the Board and the executive team to ensure that the school was stable and performing to a high standard before introducing new students. The nature of the school, and the small number of the pupils on roll, mean that any turnover in students can have a significant impact on the day to day operations of the school. As such, the Board and the executive team closely monitor the referral process and the budget to ensure the balance of priorities between financial sustainability and educational excellence.

**Going concern**

After making appropriate enquiries, the Trust Board 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 Accounting Policies.

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**Directors' report (continued)**  
**for the year ended 31 August 2019**

**Financial review**

**Bexhill Academy**

Revenue received in 2018/19 exceeded the original forecast by £904k. Expenditure was £415k more than budgeted, as additional income allowed for additional staffing resources (£114k more staffing expenditure than budgeted).

The main source of revenue funding for the Academy Trust is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the period ended 31 August 2019 the Academy Trust received £6,347k in direct revenue funding from the ESFA. An application during the year to receive funding based on actual pupil numbers was successful and resulted in an additional £545k being received (against funding due on a lagged pupil basis). An additional £97k of SEN funding was received following a change to the ESCC formula.

The Academy incurred a surplus of £9k against a forecast deficit of £597k before accounting for pension fund losses.

**Ian Mikardo High School**

Ian Mikardo High School has made an in year surplus of £76k (before accounting for actuarial pension losses) following the implementation in 17/18 of a new banding structure and charging policy which aimed to make the admissions process fairer and more transparent.

The main source of revenue funding for the school is the General Annual Grant (GAG) and high needs funding per pupil from individual commissioning authorities. For the period ended 31 August 2019 the Academy Trust received £399k in direct revenue funding from the EFA and £2,032k in funding from commissioning Local Authorities. In 2018/19 the school worked with 15 different commissioning local authorities and providers, and has continued to increase pupil numbers throughout the course of the year.

Throughout 2018/19 the school has monitored expenditure to ensure this is in line with expectation

**Reserves policy**

The directors are aware of the requirement to balance current and future needs. The directors always aim to set a balanced budget with annual income balancing annual expenditure, but due to the lagged funding model, the policy to use brought forward reserves to balance future annual budgets (on a temporary and sustainable basis) is adopted. The level of unrestricted reserves at 31st August 2019 was £731,482 and the amount of cash reserves held by the Academy is £823,207.

The Trust is recognising a significant pension fund deficit of £2,234,000 This liability is paid over a number of years and does not crystallize as a single sum owing. Future pension fund valuations may see a decrease in this liability through improved investment performance.

**Investments policy**

The Trust Board invests funds in such a way as to maximise the Academy Trust's income but with minimal risk. Cash flow demands during 2018/19 required adequate funds available to be kept liquid, and short term interest earning deposit accounts were utilised to provide a level of investment return. The investment policy is reviewed by the Trust Board Finance Committee.

**Principal risks and uncertainties**

The directors maintain a risk register identifying the major risks to which the Academy Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the exposure to these risks is monitored on behalf of the Trust board by the Finance Committee. Those facing the Academy Trust at an operational level are addressed by its systems and controls which are tested and reported on through annual independent internal and external audit checks.

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**Directors' report (continued)**  
**for the year ended 31 August 2019**

The directors report that the Academy Trust's financial and internal controls conform to guidelines issued by the ESFA.

In academy schools, the level of financial risk is highest with regard to either a) long term fixed costs or b) expenditure increases set by third parties as matching in revenue cannot be relied upon.

Revenue and expenditure cash flows can be reliably forecast, monitored and reported on an annual basis. Staff costs make up the majority of expenditure and reporting systems on future staffing commitments are considered robust. Contingencies are in place to cover costs related to sickness and maternity absence.

The Trust Board and principal assess the risks and uncertainties facing the Academy Trust as follows:

**Operating to a balanced budget**

Pressures on income and expenditure require the Trust Board to carefully monitor budgets and oversee strategies required to see any savings required, while ensuring that the provision of required learning resources remains sufficient to see student outcomes maximized. A five year budget is forecast for Bexhill Academy using current information from principal feeder primary schools and historical recruitment percentages, and a three year forecast is used at Ian Mikardo.

**Cash balances**

The successful application for in year funding (and not lagged pupil number funding) has resulted in an increase in the cash balance held at Bexhill Academy, and cash flow is not considered a risk factor.

**Increases in Expenditure**

Inflationary pressures are expected to continue in all expenditure areas, and in particular around staffing. The national Funding Formula is not expected to cover all these increases. The Trust Board monitors the strategies being followed to provide economies in Academy operations which do not affect student outcomes detrimentally.

**Staff retention and recruitment**

Current staff retention is good. There are, however, recruitment challenges in certain teaching departments, with a national shortage of teachers providing additional recruitment challenge above that of attracting staff to work in the area. Newly qualified teachers are typically more attracted to areas with greater social opportunities. The risk is mitigated by the positive working environment that is offered to staff through a variety of strategies which include a dedicated staff welfare program at Bexhill Academy.

**Safeguarding and child protection**

The directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Plans for future periods**

The Academy Trust will continue striving to improve the levels of performance of its students at all levels, and will actively promote the Academy Trust to maximise the recruitment of students.

The Trust Board will continue to enhance and expand facilities throughout 2019/20 in pursuance of the Academy Trust's commitment to provide excellent learning facilities.

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**Directors' report (continued)**  
**for the year ended 31 August 2019**

**Disclosure of information to auditors**

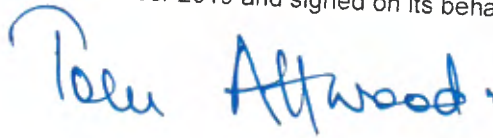
Insofar as the trustees are aware:

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

**Auditors**

The auditors, Kreston Reeves LLP are willing to continue in office and a resolution to re appoint them was passed at a members meeting on the 7 December, 2019.

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 18 December 2019 and signed on its behalf by:



**T R Attwood**  
**Chair of Board of Directors**

**Attwood Academies**  
(A company limited by guarantee)

**Governance Statement**

**Scope of responsibility**

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

The Trust Board has delegated the day to day responsibility to the Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Attwood Academies and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Directors has formally met 5 times during the year.

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

Director	Meetings attended	Out of a possible
T R Attwood, Chair of Board of Directors	5	5
S M Attwood	4 (one by phone)	5
S C Gough	5 (one by phone)	5
A F X Green	3	5
J P Sale (resigned 15/03/2019)	4	4
C H Sale (resigned 15/03/2019)	4	4
S L Foley (appointed 07/06/2019)	0	0

The Finance Committee is a sub committee of the main Trust Board. The purpose of the Finance Committee is to set, monitor and review the use of resources of the Academy, ensuring that income due from grants is received, income generation is promoted and expenditure achieves best value in terms of student outcomes. The Finance Committee also fulfils the responsibilities of an Audit Committee. During the year the principal focus has been to monitor the financial performance of the Trust against the revenue and capital budget forecasts.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
T R Attwood	4	4
S C Gough	3	4
J P Sale (resigned 31/03/2019)	4	4
C H Sale (resigned 31/03/2019)	4	4



**Attwood Academies**  
(A company limited by guarantee)

**Governance Statement (continued)**

**Review of value for money**

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Trust Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Ensuring a capital build project (Budget cost £1.2 million) at Bexhill Academy is being delivered to provide the required high standard facilities within a short delivery timescale at a competitive cost by project managing in-house and dividing contract work wherever best value can be obtained in so doing.
- Keeping teacher contact time at Bexhill Academy at an efficient level (76%)
- Significantly improving the financial position of the Ian Mikardo High School

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Attwood Academies for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Trust Board 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 Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

**Attwood Academies**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**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 Directors
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Directors has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves as internal auditor.

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

- testing of payroll systems
- testing of purchases systems
- testing of income systems
- testing of bank reconciliations
- testing of control account reconciliations
- review of governance

On an annual basis, the internal auditor reports to the Trust Board through the audit committee on the operation of the systems of control and on the discharge of the Trust Board' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. No issues arose from the reports issued during the financial period to 31 August 2019.

**Attwood Academies**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Review of effectiveness**

The accounting officer 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 auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Directors and signed on their behalf by:



Director **SARA ATTWOOD**

Date: 18 December 2019



**T R Attwood**  
Accounting Officer

**Attwood Academies**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of Attwood Academies I have considered my responsibility to notify the Academy Trust board of Directors 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 2018.

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

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



**T R Attwood**  
**Accounting Officer**

Date: 18 December 2019

**Attwood Academies**  
**(A company limited by guarantee)**

**Statement of Directors' responsibilities**  
**for the year ended 31 August 2019**

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Directors are required to:

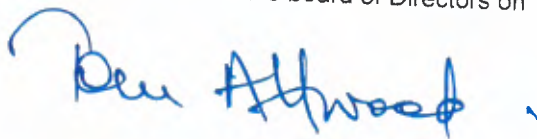
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 Directors 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 Directors on 18 December 2019 and signed on its behalf by:



**T R Attwood**  
**Chair of the Board of Directors**

**Independent auditors' Report on the financial statements to the Members of Attwood Academies**

**Opinion**

We have audited the financial statements of Attwood Academies (the 'academy trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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**

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

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

**Attwood Academies**  
**(A company limited by guarantee)**

**Independent auditors' Report on the financial statements to the Members of Attwood Academies**  
**(continued)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Independent auditors' Report on the financial statements to the Members of Attwood Academies**  
(continued)

**Responsibilities of trustees**

As explained more fully in the Directors' responsibilities statement, the Directors (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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy Trust's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Attwood Academies**  
(A company limited by guarantee)

**Independent auditors' Report on the financial statements to the Members of Attwood Academies**  
(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.

*Kreston Reeves LLP*

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

20 December 2019

**Attwood Academies**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Attwood Academies and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 18 September 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Attwood Academies during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Attwood Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Attwood Academies 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 Attwood Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Attwood Academies's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Attwood Academies's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

**Attwood Academies**  
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Attwood Academies and the Education & Skills Funding Agency (continued)**

**Work undertaken**

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Board minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Kreston Reeves LLP*

**Kreston Reeves LLP**

**Reporting Accountant  
Chartered Accountants  
Canterbury**

Date: 20 December 2019

**Attwood Academies**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
for the year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	89,181	89,181	6,849,694
Charitable activities	4	-	9,491,056	-	9,491,056	7,254,541
Other trading activities	5	290,324	-	-	290,324	245,894
Investments	6	9,038	-	-	9,038	10,533
<b>Total income</b>		<b>299,362</b>	<b>9,491,056</b>	<b>89,181</b>	<b>9,879,599</b>	<b>14,360,662</b>
<b>Expenditure on:</b>						
Charitable activities	7	120,763	9,580,828	663,973	10,365,564	8,501,080
<b>Total expenditure</b>		<b>120,763</b>	<b>9,580,828</b>	<b>663,973</b>	<b>10,365,564</b>	<b>8,501,080</b>
<b>Net (expenditure)/income</b>		<b>178,599</b>	<b>(89,772)</b>	<b>(574,792)</b>	<b>(485,965)</b>	<b>5,859,582</b>
Transfers between funds	17	(17,348)	(405,341)	422,689	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>161,251</b>	<b>(495,113)</b>	<b>(152,103)</b>	<b>(485,965)</b>	<b>5,859,582</b>
<b>Other recognised (losses)/gains:</b>						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(995,000)	-	(995,000)	683,000
<b>Net movement in funds</b>		<b>161,251</b>	<b>(1,490,113)</b>	<b>(152,103)</b>	<b>(1,480,965)</b>	<b>6,542,582</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		570,231	(469,333)	31,187,598	31,288,496	24,745,914
Net movement in funds		161,251	(1,490,113)	(152,103)	(1,480,965)	6,542,582
<b>Total funds carried forward</b>		<b>731,482</b>	<b>(1,959,446)</b>	<b>31,035,495</b>	<b>29,807,531</b>	<b>31,288,496</b>

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

The notes on pages 29 to 54 form part of these financial statements.

**Attwood Academies**  
 (A company limited by guarantee)  
 Registered number: 09148479

**Balance sheet**  
 as at 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	31,035,495	31,183,438
<b>Current assets</b>			
Debtors	15	915,873	479,120
Cash at bank and in hand		823,207	1,264,746
		<u>1,739,080</u>	<u>1,743,866</u>
Creditors: amounts falling due within one year	16	(733,044)	(645,808)
<b>Net current assets</b>		<u>1,006,036</u>	<u>1,098,058</u>
<b>Total assets less current liabilities</b>		<u>32,041,531</u>	<u>32,281,496</u>
Defined benefit pension scheme liability	23	(2,234,000)	(993,000)
<b>Total net assets</b>		<u><u>29,807,531</u></u>	<u><u>31,288,496</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	31,035,495	31,187,598
Restricted income funds	17	274,554	523,667
Restricted funds excluding pension asset	17	<u>31,310,049</u>	<u>31,711,265</u>
Pension reserve	17	(2,234,000)	(993,000)
<b>Total restricted funds</b>	17	<u>29,076,049</u>	<u>30,718,265</u>
<b>Unrestricted income funds</b>	17	731,482	570,231
<b>Total funds</b>		<u><u>29,807,531</u></u>	<u><u>31,288,496</u></u>

The financial statements on pages 26 to 54 were approved by the Directors, and authorised for issue on 18 December 2019 and are signed on their behalf, by:

**T R Attwood**  
 Chair of Board of Directors

The notes on pages 29 to 54 form part of these financial statements.

**Attwood Academies**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**for the year ended 31 August 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	<b>(23,728)</b>	(236,095)
<b>Cash flows from investing activities</b>			
	20	<b>(417,811)</b>	(87,222)
<b>Change in cash and cash equivalents in the year</b>		<b>(441,539)</b>	(323,317)
Cash and cash equivalents at the beginning of the year		<b>1,264,746</b>	1,588,063
<b>Cash and cash equivalents at the end of the year</b>	21	<b>823,207</b>	1,264,746

The notes on pages 29 to 54 form part of these financial statements

**Attwood Academies**  
(A company limited by guarantee)

**Notes to the financial statements  
for the year ended 31 August 2019**

**1. Accounting policies**

Attwood Academies is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Manor House, Slip Mill Road, Hawkhurst, Cranbrook, Kent, TN18 5AE. The principal activity of the Academy Trust is to provide a secondary education for pupils that satisfies the requirements of the Education Act 2002.

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Attwood Academies meets the definition of a public benefit entity under FRS 102.

The academy trust's functional and presentational currency is Pounds Sterling.

The academy trust's financial statements are presented to the nearest pound.

**1.2 Going concern**

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Directors 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.

**1.3 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 Directors.

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

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

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

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.4 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.

**1.5 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.



**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

Land, buildings and playing fields occupied under 125 year leases from a local authority are recognised as a fixed asset in the academy trust initially at fair value.

Assets costing £200 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Over 50 years straight line
Fixtures and fittings	- Over 4 - 10 years straight line
Motor vehicles	- Over 2 - 4 years straight line
Computer equipment	- Over 3 - 6 years straight line

Long-term leasehold property under the course of construction are included at cost, recognised based on the most recent valuation certificate.

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.

**1.8 Interest receivable**

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

**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.9 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.

**1.10 Debtors**

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

**1.11 Cash at bank and in hand**

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

**1.12 Liabilities**

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

**1.13 Provisions**

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

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

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**Notes to the financial statements**  
**for the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.14 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

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

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

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

Critical accounting estimates and assumptions:

The Academy Trust 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.

### *Multi-employer defined benefit pension scheme*

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

### *Tangible fixed assets*

The Academy Trust has recognised tangible fixed assets with a carrying value of £31,035,495 at the reporting date (see note 14). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the governors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

### *Lease commitments*

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

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**Notes to the financial statements**  
for the year ended 31 August 2019

**2. Critical accounting estimates and areas of judgment (continued)**

*Multi-employer defined benefit pension scheme*

Certain employees participate in the Teachers Pension Scheme, a multi-employer defined benefit pension scheme, with other Academy Trusts in the region. In the judgement of the directors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 22 for further details.

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Inherited on conversion	-	-	-	6,821,362
Capital Grants	-	89,181	<b>89,181</b>	28,332
	-	89,181	<b>89,181</b>	6,849,694
Total 2018	<b>43,860</b>	<b>6,805,834</b>	<b>6,849,694</b>	

**4. Funding for the Academy Trust's educational operations**

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	6,746,635	<b>6,746,635</b>	5,705,518
Other DfE/ESFA grants	593,912	<b>593,912</b>	483,109
	<b>7,340,547</b>	<b>7,340,547</b>	6,188,627
<b>Other government grants</b>			
Other government grants	2,150,509	<b>2,150,509</b>	1,065,914
	<b>9,491,056</b>	<b>9,491,056</b>	7,254,541

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Trip income	77,125	<b>77,125</b>	59,346
School lettings	48,974	<b>48,974</b>	45,836
Catering income	-	-	204
Charity income	18,940	<b>18,940</b>	8,540
Consultancy income	33,661	<b>33,661</b>	14,801
Income contributions	1,455	<b>1,455</b>	1,784
Other income	110,169	<b>110,169</b>	115,383
	<u>290,324</u>	<u><b>290,324</b></u>	<u>245,894</u>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Interest received	9,038	<b>9,038</b>	10,533
	<u>9,038</u>	<u><b>9,038</b></u>	<u>10,533</u>

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Activities:					
Direct costs	6,068,215	-	720,005	<b>6,788,220</b>	5,480,176
Support costs	1,507,715	714,897	1,354,732	<b>3,577,344</b>	3,020,904
	<u>7,575,930</u>	<u>714,897</u>	<u>2,074,737</u>	<u><b>10,365,564</b></u>	<u>8,501,080</u>
Total 2018	<u>6,158,792</u>	<u>629,396</u>	<u>1,712,892</u>	<u><b>8,501,080</b></u>	

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Notes to the financial statements  
for the year ended 31 August 2019

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	6,788,220	3,577,344	10,365,564	8,501,080
Total 2018	5,480,176	3,020,904	8,501,080	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs		
Agency staff	5,915,947	4,805,790
Books, stationery & materials	152,268	79,875
Exam fees	470,349	389,878
Staff development & other staff costs	86,512	78,758
	163,144	125,875
	6,788,220	5,480,176

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**Notes to the financial statements**  
**for the year ended 31 August 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension finance expense	31,000	33,000
Staff costs	1,507,715	1,273,127
Depreciation	663,973	614,845
Maintenance of premises & equipment	218,992	144,299
Cleaning	187,181	170,727
Rates	93,023	83,233
Insurance	28,367	26,478
Computer costs	70,257	84,194
Catering costs	164,185	131,420
Water & sewerage	19,671	17,385
Energy costs	230,351	213,752
Health & safety costs	8,684	9,214
Staff recruitment costs	15,054	11,576
Motor expenses	13,965	5,795
Furniture & equipment	16,960	11,301
Telephone & broadband	26,446	19,479
Intervention & enrichment costs	6,786	4,136
Sundry admin costs	95,674	71,411
Legal and professional	179,060	95,532
	<b><u>3,577,344</u></b>	<b><u>3,020,904</u></b>

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

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Depreciation of tangible fixed assets	663,973	614,844
Fees paid to auditors for:		
- audit	14,125	13,450
- other services	6,400	5,700
	<b><u>14,125</u></b>	<b><u>13,450</u></b>
	<b><u>6,400</u></b>	<b><u>5,700</u></b>



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**Notes to the financial statements**  
**for the year ended 31 August 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,889,565	4,774,714
Social security costs	553,752	447,183
Pension costs	980,345	857,020
	<u>7,423,662</u>	<u>6,078,917</u>
Agency staff costs	152,268	79,875
	<u>7,575,930</u>	<u>6,158,792</u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	69	75
Administration and support	83	70
Management	15	15
	<u>167</u>	<u>160</u>

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	3	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
In the band £130,001 - £140,000	-	2
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

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**Notes to the financial statements**  
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**10. Staff costs (continued)**

**c. Higher paid staff (continued)**

Four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these employees amounted to £50,119 (2018: £41,025). Two of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £42,539 (2018: £24,943).

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the senior leadership team. The total salaries received by key management personnel for their services to the Academy Trust was £934,399 (2018: £718,642). Employer pension contributions were a total of £93,305 (2018: £107,441) and employer national insurance contributions were a total of £114,984 (2018: £105,609).

**11. Central services**

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

**12. Directors' remuneration and expenses**

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

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
C H Sale, Principal (resigned 15 March 2019)	Remuneration	<b>40,000 -</b>	135,000 -
		<b>45,000</b>	140,000
J P Sale, Accounting officer (resigned 15 March 2019)	Pension contributions paid	<b>Nil</b>	Nil
	Remuneration	<b>55,000 -</b>	105,000 -
		<b>60,000</b>	110,000
	Pension contributions paid	<b>10,000 -</b>	20,000 -
	<b>15,000</b>	25,000	

During the year ended 31 August 2019, no Director expenses have been incurred (2018 - £NIL).

**13. Directors' and Officers' insurance**

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme membership.

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Notes to the financial statements  
for the year ended 31 August 2019

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	32,366,645	246,029	453,049	22,214	33,087,937
Additions	436,899	24,341	54,790	-	516,030
At 31 August 2019	<u>32,803,544</u>	<u>270,370</u>	<u>507,839</u>	<u>22,214</u>	<u>33,603,967</u>
<b>Depreciation</b>					
At 1 September 2018	1,639,877	51,000	203,458	10,164	1,904,499
Charge for the year	546,093	35,705	78,408	3,767	663,973
At 31 August 2019	<u>2,185,970</u>	<u>86,705</u>	<u>281,866</u>	<u>13,931</u>	<u>2,568,472</u>
<b>Net book value</b>					
At 31 August 2019	<u><u>30,617,574</u></u>	<u><u>183,665</u></u>	<u><u>225,973</u></u>	<u><u>8,283</u></u>	<u><u>31,035,495</u></u>
At 31 August 2018	<u><u>30,726,768</u></u>	<u><u>195,029</u></u>	<u><u>249,591</u></u>	<u><u>12,050</u></u>	<u><u>31,183,438</u></u>

Included in land and buildings is leasehold land at valuation of £6,517,000 (2018: £6,517,000) which is not depreciated.

15. Debtors

	2019 £	2018 £
Trade debtors	9,972	253,125
Other debtors	120,879	68,606
Prepayments and accrued income	785,022	157,389
	<u><u>915,873</u></u>	<u><u>479,120</u></u>

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**Notes to the financial statements**  
**for the year ended 31 August 2019**

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>156,276</b>	100,525
Other taxation and social security	<b>149,646</b>	133,332
Other creditors	<b>154,773</b>	125,155
Accruals and deferred income	<b>272,349</b>	286,796
	<b>733,044</b>	<b>645,808</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2018	<b>228,669</b>	14,245
Resources deferred during the year	-	228,669
Amounts released from previous periods	<b>(228,669)</b>	<b>(14,245)</b>
	<b>-</b>	<b>228,669</b>

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Notes to the financial statements  
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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted Revenue Fund	570,231	299,362	(120,763)	(17,348)	-	731,482
<b>Restricted general funds</b>						
General Annual Grant (GAG)	523,667	6,746,635	(6,413,723)	(730,341)	-	126,238
Other DfE/ESFA grants	-	593,912	(445,596)	-	-	148,316
Other government grants	-	2,150,509	(2,150,509)	-	-	-
Pension reserve	(993,000)	-	(571,000)	325,000	(995,000)	(2,234,000)
	<u>(469,333)</u>	<u>9,491,056</u>	<u>(9,580,828)</u>	<u>(405,341)</u>	<u>(995,000)</u>	<u>(1,959,446)</u>
<b>Restricted fixed asset funds</b>						
Fixed Asset Fund	25,326,866	-	(490,270)	-	-	24,836,596
DfE/ESFA capital grants	5,860,732	89,181	(173,703)	422,689	-	6,198,899
	<u>31,187,598</u>	<u>89,181</u>	<u>(663,973)</u>	<u>422,689</u>	<u>-</u>	<u>31,035,495</u>
<b>Total Restricted funds</b>	<u>30,718,265</u>	<u>9,580,237</u>	<u>(10,244,801)</u>	<u>17,348</u>	<u>(995,000)</u>	<u>29,076,049</u>
<b>Total funds</b>	<u><u>31,288,496</u></u>	<u><u>9,879,599</u></u>	<u><u>(10,365,564)</u></u>	<u><u>-</u></u>	<u><u>(995,000)</u></u>	<u><u>29,807,531</u></u>

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**Notes to the financial statements**  
**for the year ended 31 August 2019**

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

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

GAG represents funds to be used to cover the normal running costs of the academy.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

The restricted fixed asset fund represents tangible fixed assets which were donated from other Academy Trusts and local authorities on conversion to an academy including depreciation to the balance sheet date.

DfE/ESFA capital grants fund is to provide the academy with its own capital money to address improvements to buildings and other facilities. The balance on the fund represents the value of fixed assets purchased including depreciation to the balance sheet date and unspent capital grant money to be spent in 2019/20.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	2018
	£	£
Bexhill Academy	<b>812,800</b>	970,460
Ian Mikardo High School	<b>193,236</b>	123,438
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>1,006,036</b>	1,093,898
Restricted fixed asset fund	<b>31,035,495</b>	31,187,598
Pension reserve	<b>(2,234,000)</b>	(993,000)
	<hr/>	<hr/>
<b>Total</b>	<b>29,807,531</b>	31,288,496
	<hr/> <hr/>	<hr/> <hr/>

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**Notes to the financial statements**  
**for the year ended 31 August 2019**

**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 £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Bexhill Academy	4,499,096	1,174,101	436,273	1,077,265	<b>7,186,735</b>	6,657,628
Ian Mikardo High School	1,416,851	333,614	337,772	426,619	<b>2,514,856</b>	1,228,607
<b>Academy Trust</b>	<b>5,915,947</b>	<b>1,507,715</b>	<b>774,045</b>	<b>1,503,884</b>	<b>9,701,591</b>	<b>7,886,235</b>

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted Revenue Fund	355,486	300,287	(85,542)	-	-	570,231
<b>Restricted general funds</b>						
General Annual Grant (GAG)	940,734	5,788,030	(5,847,182)	(357,915)	-	523,667
Other DfE/ESFA grants	-	400,597	(400,597)	-	-	-
Other government grants	-	1,065,914	(1,065,914)	-	-	-
Pension reserve	(849,000)	(596,000)	(487,000)	256,000	683,000	(993,000)
	<u>91,734</u>	<u>6,658,541</u>	<u>(7,800,693)</u>	<u>(101,915)</u>	<u>683,000</u>	<u>(469,333)</u>
<b>Restricted fixed asset funds</b>						
Fixed Asset Fund	18,403,239	7,373,502	(449,875)	-	-	25,326,866
DfE/ESFA capital grants	5,895,455	28,332	(164,970)	101,915	-	5,860,732
	<u>24,298,694</u>	<u>7,401,834</u>	<u>(614,845)</u>	<u>101,915</u>	<u>-</u>	<u>31,187,598</u>
<b>Total Restricted funds</b>	<u>24,390,428</u>	<u>14,060,375</u>	<u>(8,415,538)</u>	<u>-</u>	<u>683,000</u>	<u>30,718,265</u>
<b>Total funds</b>	<u><u>24,745,914</u></u>	<u><u>14,360,662</u></u>	<u><u>(8,501,080)</u></u>	<u><u>-</u></u>	<u><u>683,000</u></u>	<u><u>31,288,496</u></u>



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

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	31,035,495	<b>31,035,495</b>
Current assets	793,577	945,503	-	<b>1,739,080</b>
Creditors due within one year	(62,095)	(670,949)	-	<b>(733,044)</b>
Provisions for liabilities and charges	-	(2,234,000)	-	<b>(2,234,000)</b>
<b>Total</b>	<u>731,482</u>	<u>(1,959,446)</u>	<u>31,035,495</u>	<u><b>29,807,531</b></u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	31,183,438	<b>31,183,438</b>
Current assets	596,978	1,142,728	4,160	<b>1,743,866</b>
Creditors due within one year	(26,747)	(619,061)	-	<b>(645,808)</b>
Provisions for liabilities and charges	-	(993,000)	-	<b>(993,000)</b>
<b>Total</b>	<u>570,231</u>	<u>(469,333)</u>	<u>31,187,598</u>	<u><b>31,288,496</b></u>

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**19. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	<b>(485,965)</b>	5,859,582
<b>Adjustments for:</b>		
Depreciation	<b>663,973</b>	614,844
Capital grants from DfE and other capital income	<b>(89,181)</b>	(28,332)
Interest receivable	<b>(9,038)</b>	(10,533)
Defined benefit pension scheme obligation inherited	-	596,000
Defined benefit pension scheme cost less contributions payable	<b>215,000</b>	198,000
Defined benefit pension scheme finance cost	<b>31,000</b>	33,000
(Increase)/decrease in debtors	<b>(436,753)</b>	(434,406)
Increase/(decrease) in creditors	<b>87,236</b>	309,253
Tangible fixed assets transferred on conversion	-	(7,373,503)
<b>Net cash used in operating activities</b>	<b>(23,728)</b>	(236,095)

**20. Cash flows from investing activities**

	2019 £	2018 £
Interest received	<b>9,038</b>	10,533
Purchase of tangible fixed assets	<b>(516,030)</b>	(126,087)
Capital grants from DfE Group	<b>89,181</b>	28,332
<b>Net cash used in investing activities</b>	<b>(417,811)</b>	(87,222)

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>823,207</b>	1,264,746
<b>Total cash and cash equivalents</b>	<b>823,207</b>	1,264,746

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**22. Capital commitments**

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>717,708</u>	<u>-</u>

**23. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Sussex County Council and London Borough of Tower Hamlets. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £97,440 were payable to the schemes at 31 August 2019 (2018 - £85,650) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

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**23. Pension commitments (continued)**

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

The employer's pension costs paid to TPS in the year amounted to £433,726 (2018 - £383,763).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is 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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £426,000 (2018 - £337,000), of which employer's contributions totalled £325,000 (2018 - £256,000) and employees' contributions totalled £ 101,000 (2018 - £81,000). The agreed contribution rates for future years are 23.4% (ESCC) and 20.3% (Tower Hamlets) for employers and 5.5% to 12.5% 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**

	2019	2018
	%	%
<b>East Sussex Pension Fund</b>		
Rate of increase in salaries	2.70	2.80
Rate of increase for pensions in payment / inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80
<b>London Borough of Tower Hamlets Pension Fund</b>		
Rate of increase in salaries	2.10	2.10
Rate of increase for pensions in payment / inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80

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

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23. Pension commitments (continued)

	2019 Years	2018 Years
<b>East Sussex Pension Fund</b>		
Retiring today		
Males	21.2	22.1
Females	23.5	24.4
Retiring in 20 years		
Males	22.1	23.8
Females	24.9	26.3
<b>London Borough of Tower Hamlets Pension Fund</b>		
Retiring today		
Males	21.2	22.1
Females	23.2	24.1
Retiring in 20 years		
Males	22.2	23.9
Females	24.4	25.8

**Sensitivity analysis**

	2019 £	2018 £
<b>East Sussex Pension fund</b>		
Discount rate -0.5%	-	-
Salary rate +0.5%	843,000	633,000
Pension rate +0.5%	156,000	130,000
	667,000	493,000
<b>London Borough of Tower Hamlets Pension Fund</b>		
Discount rate -0.5%	-	-
Salary rate +0.5%	215,000	158,000
Pension rate +0.5%	51,000	43,000
	159,000	112,000

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	4,241,000	4,084,000
Bonds	1,355,000	805,000
Property	580,000	560,000
Cash and other liquid assets	174,000	155,000
<b>Total market value of assets</b>	<b>6,350,000</b>	<b>5,604,000</b>

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**23. Pension commitments (continued)**

The actual return on scheme assets was £390,000 (2018 - £369,000).

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

	2019 £	2018 £
Current service cost	(508,000)	(454,000)
Past service cost	(32,000)	-
Interest income	161,000	121,000
Interest cost	(192,000)	(154,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(571,000)</b>	<b>(487,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>6,597,000</b>	5,227,000
Upon conversion	-	1,180,000
Current service cost	508,000	454,000
Interest cost	192,000	154,000
Employee contributions	101,000	81,000
Actuarial (gain) / loss	1,690,000	(435,000)
Benefits paid	(70,000)	(64,000)
Past service costs	32,000	-
Change in demographic assumptions	(466,000)	-
<b>At 31 August</b>	<b>8,584,000</b>	6,597,000

The East Sussex Pension Fund valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is £32,000 (or 0.5% as a percentage of total East Sussex Pension Fund liabilities).

The London Borough of Tower Hamlets Pension Fund valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is nil.

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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:

	2019 £	2018 £
<b>At 1 September</b>		
Conversion of academy trusts	5,604,000	4,378,000
Interest income	-	584,000
Actuarial gains	161,000	121,000
Employer contributions	229,000	248,000
Employee contributions	325,000	256,000
Benefits paid	101,000	81,000
	(70,000)	(64,000)
<b>At 31 August</b>	<u><u>6,350,000</u></u>	<u><u>5,604,000</u></u>

**24. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	11,767	12,557
Between 1 and 5 years	6,864	18,630
	<u><u>18,631</u></u>	<u><u>31,187</u></u>

**25. Members' liability**

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

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**26. Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a directors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures

Other related party transactions have taken place in the period of account, in addition to certain trustees' remuneration and expenses already disclosed in note 12.

During the year, Attwood Academies Trust invoiced £10,000 (2018: £NIL) to The Attwood Education Foundation, a member of the Academy Trust and a charitable organisation in which T Attwood, S Attwood and S Gough, directors of the Academy Trust, are directors. The invoice from the Academy Trust was for finance services provided to The Attwood Education Foundation. At 31 August 2019, there is no outstanding amount (2018: £NIL).

During the year, Attwood Academies Trust were invoiced £NIL (2018: £8,500) from The Attwood Education Foundation. At 31 August 2019, the amounts outstanding were £NIL (2018: £8,500).

During the prior year, The Attwood Education Foundation advanced £17,633 to The Academy Trust in respect of a liability incurred by the Academy Trust in relation to legal work invoices from a third party relating to the Ian Mikardo High School joining the Academy Trust. At 31 August 2018, the amount of £17,633 remained outstanding and was paid during the year ended 31 August 2019.

During the prior year, a guarantee was entered in to with the Attwood Education Foundation (Member) for debts owed from Ian Mikardo High School to Bexhill Academy. No monies were advanced during the prior year.

**27. Post balance sheet events**

On 1 September 2019 Ian Mikardo High School left Attwood Academies and joined the T4 Trust.

Subsequent to the year end, the Skills Centre building has been disposed of from the Academy Trust.

**28. Controlling party**

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Directors. There is no ultimate controlling party.