Company Registration No. 08722556 (England and Wales)

FRIARS MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

FRIARS MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of Trustees' responsibilities	14
Independent auditor's report on the financial statements	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements including accounting policies	23 - 41

FRIARS MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr J Turnbull (Chairman) Mr G Kirkman Mrs S Ijewsky (Head Teacher) Mrs A Curchin Mrs L Morgan Mrs S Payne
Members	Mr J Turnbull Mr R Lancaster Mrs P Norton Mr S Warwick Mrs D Withers MBE
Senior leadership team	
- Executive Head Teacher	Mrs S Ijewsky
- Chief Finance Officer	Mrs C White / Ms A Basra
- Deputy Head Teacher	Mr M Adams
- Assistant Head Teacher	Mr D Gay
- Assistant Head Teacher	Mrs R Stockham
- Key Stage Leader	Mrs L Dorrian
- Chief Operations Officer	Mr S Lathan
Company registration number	08722556 (England and Wales)
Registered office	Friars Close Wellingborough Northamptonshire NN8 2LA
Independent auditor	Ellacotts Audit Services Limited Countrywide House 23 West Bar Banbury Oxfordshire OX16 9SA England

FRIARS MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

The Trust currently operates a single special secondary school, Friars Academy, for pupils aged 11 to 18. The school is located in and serves the catchment area of Wellingborough with a pupil capacity of 145. On the January 2020 census Friars Academy had 155 pupils on roll.

During the year building work commenced on the construction of a second academy, Chelveston Road School. It is anticipated the new school will be open to a limited number of year 7 pupils from September 2021.

Structure, governance and management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Governors are members of the Local Governing Body. The Trustees of Friars Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Friars Multi Academy Trust. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with article 5 of the charitable company's Articles of Association third party indemnity provision is in place with Risk Protection Arrangement (RPA) for Academies to the value of £2,000,000 for any one claim and in the aggregate in any one period.

Method of recruitment and appointment or election of Local Governors

In accordance with the Governance plan, the composition of the Local Governing Body shall be as follows:

- Head of School
- 1 x elected member of staff
- 1 x elected parent governor
- 3 x community governors approved by the Board

Friars Academy may also have any Co-opted Governor appointed. Their fixed term maybe less than 4 years. Governors may be appointed by the Secretary of State if deemed fit.

Policies and procedures adopted for the induction and training of Governors

New Trustees and Governors are issued with a handbook which includes terms of Reference for all the committees, a description of the role of a Trustee or Governor and code of conduct. Trustees will also receive a copy of the Academy Trust's Funding Agreement, the Articles of Association, timetable of meetings and copies of all policy documents. All Trustees and Governors are issued with a Trust email address. It is recommended that new Trustees and Governors attend training within 6 months of appointment.

Organisational structure

The structure of Friars Academy consists of three senior levels:

1) The Governing Body
2) The Head Teacher
3) The Senior Leadership Team (SLT) which includes the Executive Head Teacher, Deputy Head Teacher, Assistant Head Teachers, the Trust's Chief Finance Officer and the Chief Operations Officer, together with any fixed term secondees as the SLT see fit.

The aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the Academy's policies and approving the annual budget and medium term plan, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of the students and personnel.

The Head Teacher and SLT control the Academy at an executive level, implementing the policies set by the Board of Trustees and reporting back to them.

Method of Recruitment and Appointment to the Trust Board

In accordance with articles 48 and 49 of the charitable company's Articles of Association, the Trust shall have the following Trustees:

5 x Members (including the Chair of the Board)
7 x Trustees (Directors) (including the Chair of the Board and the Executive Headteacher)

When recruiting to Director posts, Members will take into account the outcomes of a regular skills audit of the Trust's Board of Trustees as well as the need to ensure that there is a balance of skills and experience necessary to provide effective discussion and challenge at Board level.

Organisational Structure

The structure of Friars Multi Academy Trust consists of:

1) 5 Members, which includes the Chair of the Board of Trustees
2) 7 Trustees, which includes the Chair of the Board and the Executive Headteacher

The Board of Trustees has established the following sub-committees:

- Local Governing Bodies
- Finance, Human Resources, Estates and Audit Committee
- Teaching & Learning Committee

The committees have their own terms of reference detailing the responsibilities discharged to the committees, to the Executive Head Teacher (the Accounting Officer) and to the SLT. The terms of reference and meeting frequency for this committee is reviewed and approved by the Board of Trustees annually.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Key Management Personnel to be the Governors of the Academy and the Senior Leadership Team who are in charge of directing, controlling, running and operating the Academy on a day to day basis. The pay of the Senior Leadership Team is reviewed annually and where appropriate, increased in line with average earnings. Friars Academy benchmark the pay of the Senior Leadership Team against national pay scale levels and other schools. The Head Teacher and other staff governors who are part of the Senior Leadership Team only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. The aggregate remuneration and benefits of those personnel for services to Friars Academy were £534,688 (2019: £498,388).

All other Trustees and Governors give of their time freely and none other than the Head Teacher and staff Governors received remuneration during the year. Details of Trustee expenses and related party transactions are disclosed in note 9 to the accounts.

Trade Unions

The Academy has 3 staff representatives. The working time lost to enable them to carry out their union duties during the period was a total of 29 hours throughout the year.

Related parties and other connected charities and organisations

Friars Academy has well established links with local businesses and other organisations as part of the Academy's work experience programme. We work with local charities including The Daylight Centre for the homeless, Cransley Hospice and NC TLC and the Castle Theatre and businesses - Ensafe who are our lead Enterprise adviser and Cummins Diesel, TNT, Co-Op, Whitworths and Morrisons for example who provide work experience and support to enhance the provision for our students and to make mutually beneficial contributions to community cohesion.

The Trust does not operate a regulated fund-raising scheme nor does it employ or use the services of a professional fund-raiser.

Objectives and activities

Objects and aims

As set out in the Articles of Association the Academy's Trust's object is specifically restricted to the following:

a) To advance for the public benefit education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs offering a broad and balanced curriculum ("the Special Academy").

b) To promote for the benefit of the inhabitants of Wellingborough and the surrounding area the provision of the facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social economic circumstances of for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

Our Curriculum objectives will strive to:

1) Give the students broad and balanced opportunities to enhance their learning skills and to develop their independence.

2) Give the students the tools to learn by underpinning the curriculum with SEAL and PSHCE to ensure readiness to learn.

3) Prepare the students for their next stages in the future.

4) At KS3 our model is very much a primary one with the majority of the students' time spent with a teacher who is also the form tutor. As the students' progress through the school to KS4, they move to a more specialised timetable with an increased number of staff members who are subject specialists, and additional challenges are offered as appropriate to each individual. Alongside this, we will intersperse 'theme weeks' and National events days which provide opportunities for creative project based learning.

The Academy achieves these objectives through:

- Ensure that progress data is secure and interventions are appropriately used in order to enhance the learning experience for all students;
- Placing focus on reading and writing across the curriculum;
- Enhancing the creativity of the curriculum – through research and development;
- Enhancing good teaching practices across the Academy by establishing learning communities and links to other schools;
- Developing the student voice through Ambassadors, Anti bullying group and School council and prefects;
- Enhancing links and communication with parents through 'Achievement for All' project, website, twitter and text and 'evening with' events;
- Developing school to school support and sustainable school growth through Teaching School's Alliance; and
- Establish business links.

Public benefit

The Board of Trustees have complied with their duty to have due regard to the guidance on public benefit in exercising their powers and duties as published by the Charity Commission. The key aim of the Board of Trustees is the advancement of non-selective secondary education through the provision of a broad curriculum, pastoral care and enrichment for the students at Friars Multi Academy Trust. The public benefit of this provision is identifiable in the educational attainment of our students as published on our website annually.

Education at Friars Academy is open to all young people from 11 to 18 in the Wellingborough and surrounding area regardless of race, gender, religion, sexual orientation, social class and ability.

Strategic report

Performance

Our aim to provide an outstanding experience which fully prepares students for adulthood has continued to be a focus with our "Every child, Every chance, Every day" motivation. Outcomes for students are very positive as seen by both the academic results and the transitions to future destinations. Prior to lockdown, outcomes for all students were generally higher than target predictions with Looked After Children ('LAC') and Pupil Premium students outperforming the main cohort. Whilst there has been an impact on progress as a result of Covid-19, examination results were wholly positive for 2019/20. The percentage of the Academy's post 16 students not in education, employment or training ('NEET') continues to be significantly lower that the county average as a result of targeted support for students and their families.

Key performance indicators

The Board of Trustees has delegated financial management to the Finance, Human Resources, Estates and Audit Committee. The committee meets a minimum of 3 times per year to consider performance against budget, approve the annual budget, consider the medium term financial plan, consider the external auditor quarterly reports, consider financial developments, oversee contracts and procurement and to review finance policies.

The key performance indicators are:

- Staff costs as a percentage of General Annual Grant (GAG) income;
- Monthly variances against budget;
- Revised outturn forecasts;
- Cash flow forecasts;
- Final outturn against projected outturn; and
- Restricted and unrestricted funds carried forward.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of Friars Academy's income was obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant, the use of which was restricted to particular purposes.

The grant received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the 12 months ended 31 August 2020, the net income for the period was £195,875 (2019: net expenditure of £31,946).

At 31 August 2020 the net book value of tangible assets was £2,414,226 (2019: £2,316,188). The assets were used exclusively for providing education and the associated support services to the students of Friars Academy.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance shows a net liability position of £1,495,000 (2019: £1,413,000).

Reserves policy

The Board of Trustees has deemed that the appropriate level of cash reserves should enable Friars Academy to continue its rolling programme of improvements and in particular at least ensure that wages and salary expenses can be met in full on a monthly basis.

As at 31 August 2020 the Academy's level of free reserves (total funds less the amount held in fixed assets or other restricted funds) was £746,385 compared to £745,696 in 2019. The balance of restricted funds, which are not available for general purposes of the Academy amounted to £587,740 at 31 August 2020, compared to £271,592 in 2019.

Unrestricted funds have been set aside to achieve the Academy's future plans as detailed on page 9 whilst ensuring that sufficient balances remain in reserves to ensure the building continues to be well maintained and that wages and salary expenses can be met in full on a monthly basis.

The Trust has also agreed plans for the prudent use of retained earnings in order to mitigate its key financial risks and maintain the efficient working of its communications infrastructure as the MAT expands. Unrestricted funds continue to be utilised to support the formation of Friars Multi Academy Trust, whilst Chelveston Road School is in the pre-opening stage.

As noted on page 6, due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard 102, the Academy is recognising a significant pension fund deficit at 31 August 2020 of £1,495,000 (2019: £1,413,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. Friars Academy is currently making payments of £138,000 per annum towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of the deficit has no direct impact on the free reserves of the Academy Trust.

Investment policy and powers

The Board of Trustees, Finance, Human Resources, Estates and Audit Committee aims to manage the cash balances of the Trust and the Academy to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation:

- To ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements;
- To minimise the risk of loss in the capital value of any cash funds invested;
- To protect, as far as possible, the capital value of any invested funds against inflation; and
- To optimise returns on any invested funds.

The Trust's Investment Policy is to invest surplus cash reserves with a reputable Investment Company or high street bank with a high credit rating where the capital invested is guaranteed. Under the guidance of Ellacotts Wealth Planning Limited, an ethical, low risk portfolio has been created. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

Surpluses may be invested for periods of between 6 weeks and 3 years provided that funds can be withdrawn before the investment term albeit with an interest penalty. Investments are reviewed at least every 3 months by the Chief Finance Officer. The policy is reviewed every 2 years by the Finance, Human Resources, Estates and Audit Committee.

Principal risks and uncertainties

Friars Academy maintains a Risk Register that identifies the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. The risk register is approved and monitored by the Finance, Human Resources, Estates and Audit Committee in consultation with the Board of Trustees and the Local Governing Body.

The principal risks facing the Academy are detailed below. The Governing Body has implemented a number of systems to assess and reduce risks that the Academy faces, especially in operational areas in relation to teaching, health and safety (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the Academy site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as outlined in the Governance Statement.

The Board of Trustees assesses the principal risks facing the Academy as follows:

1) the Academy is unable to meet annual financial commitments due to the unpredictability of funding;
2) The Academy experiences intermittent failure of electronic communications;
3) The Academy loses expertise and knowledge through resignation of key staff or extended absence from post;
4) The Academy suffers loss of equipment due to burglary; and
5) The Academy suffers significant loss of reputation as a result of physical or emotional harm to a student.

Achievements for this period

Despite the disruption caused by the COVID 19 pandemic since March 2020 the academy continued to provide quality education both on site and remotely. Significant support was provided to both families and staff during the lockdown period from March 2020 to Aug 2020.

A number of improvement projects have been undertaken outdoors to enhance outdoor learning including relying of pathways and the installation of additional outdoor storage space and seating. The Reception area has also been remodelled during the year and the academy continues to upgrade its IT equipment.

The Academy continues to work jointly with local schools on leadership and governance.

Building work for the new school, Chelveston Road school, commenced during the year. It is currently expected the new school will be open to year 7 students from September 2021.

Towards the end of the year the Academy was notified its application for two condition improvement fund (CIF) bids to replace the Friars Academy boiler and roof had been successful. Work on these projects commenced during the summer with completion expected in 2020/21.

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Plans for future periods

The Academy wishes to develop its capital plan in line with the Risk Management and Academy Development Plan.

During 2020/21 the Academy Trust focus will be on working towards an opening date for Chelveston Road School of 17 September 2021. This will include monitoring of the build work, installation of broad band and technologies which will allow communication across both sites and the establishment of central procedures and processes to ensure the new school is brought into the Trust in the most efficient manner.

At Friars Academy, 2020/21 will see the completion of the CIF projects to replace the boiler and roof. The SLT are also reviewing the benefits of specialist equipment which may enhance teaching and learning in the current socially distant environment and are continuously reviewing the maintenance requirements of the school to ensure compliance with health and safety and, in particular, COVID 19 guidance.

A general programme of improvement for Friars Academy is also planned to replace furniture, blinds and install additional energy efficient lighting.

Funds held as custodian trustee on behalf of others

The Academy does not hold any funds as Custodian Trustees on behalf of other Charities.

Auditor

In so far as the Trustees are aware:

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

A resolution proposing that Ellacotts Audit Services Limited be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 1.1.12.20 and signed on its behalf by:

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Mr J Turnbull

Chairman

FRIARS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Friars Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr J Turnbull (Chairman)	3	3
Mr G Kirkman	2	3
Mrs S Ijewsky (Head Teacher)	3	3
Mrs A Curchin	3	3
Mrs L Morgan	2	3
Mrs S Payne	3	3

Trustees have evaluated their effectiveness this year and have retained the system of allocating responsibility according to the expertise and interests of individual Trustees.

Reviews of the effectiveness of meeting and sub-committee meetings are also routinely carried out to identify any procedural changes would be useful in running the business of the Trustees more effectively and efficiently. The use of a sub-committee with delegated responsibilities for finance, human resources and audit has allowed the Board of Trustees to retain its strategic focus. It has also allowed the Trustees to streamline the process of developing and approving policies. Trustees have completed their annual skills audit and have identified an ongoing gap for a Trustee with a legal background. They are actively recruiting such a person but will continue to buy in legal services when required.

The Finance, Human Resources, Estates and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the Board of Trustees on all matters relating to the financial and estates management of the Trust.

In line with the Academies Financial Handbook, the Board of Trustees meets 3 times a year. In addition to these meetings, the Board maintains effective oversight of funds via review of monthly management figures and the programme of work performed by the external auditor.

Review of value for money

As Accounting Officer the Executive Head Teacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

The 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 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 Friars Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Human Resources, Estates and Audit 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trustees instead appointed Ellacotts Audit Services Limited, the external auditor, to perform additional responsible officer checks throughout the academic year.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the external auditor reports to the Board of Trustees through the Finance, Human Resources, Estates and Audit Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

On a quarterly basis, the auditor reports to the Board of Trustees through the Finance, Human Resources, Estates and Audit Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

Review of effectiveness

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

- the additional program of work performed by the external auditor; and
- the work of the executive managers within the 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, Human Resources, Estates and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 11/2/2020 and signed on its behalf by:

Mr J Turnbull
Chairman

Mrs S Ijewsky
Head Teacher and Accounting Officer

FRIARS MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Friars Multi Academy Trust I have considered my responsibility to notify the Trust Board of Trustees 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 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 2019.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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

Mrs S Ijewsky
Accounting Officer

11.12.20

FRIARS MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of Friars Multi Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the Trustees are required to:

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

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 11/12/2020 and signed on its behalf by:

Mr J Turnbull
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Friars Multi Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information, which comprises the information included in the Trustees' annual report other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report and the directors' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 14, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Charlotte Toemaes

Charlotte Toemaes BSc FCA (Senior Statutory Auditor)
for and on behalf of Ellacotts Audit Services Limited

Chartered Accountants &
Statutory Auditor
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA

Date: 16/12/20

FRIARS MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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

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

Respective responsibilities of Friars Multi Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Friars Multi Academy Trust's funding agreement with the Secretary of State for Education dated 21 January 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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

Ellacotts Audit Services Limited

Reporting Accountant

Ellacotts Audit Services Limited
Chartered Accountants & Business Advisers

Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England

Dated: 16/12/20

FRIARS MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	1,389	166,941	168,330	96,496
Charitable activities:						
- Funding for educational operations	4	-	3,031,130	-	3,031,130	2,733,396
Other trading activities	5	107	93,270	-	93,377	45,821
Investments	6	582	-	-	582	582
Total		689	3,125,789	166,941	3,293,419	2,876,295
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	2,934,726	162,818	3,097,544	2,908,241
Total	7	-	2,934,726	162,818	3,097,544	2,908,241
Net income/(expenditure)		689	191,063	4,123	195,875	(31,946)
Transfers between funds	16	-	(93,915)	93,915	-	-
Other recognised gains						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	137,000	-	137,000	(447,000)
Net movement in funds		689	234,148	98,038	332,875	(478,946)
Reconciliation of funds						
Total funds brought forward		745,696	(1,141,408)	2,316,188	1,920,476	2,399,422
Total funds carried forward		746,385	(907,260)	2,414,226	2,253,351	1,920,476

FRIARS MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**12**		2,414,226		2,316,188
Current assets					
Debtors	**13**	230,396		94,835	
Cash at bank and in hand		1,461,922		1,129,871	
		1,692,318		1,224,706	
Current liabilities					
Creditors: amounts falling due within one year	**14**	(358,193)		(207,418)	
Net current assets			1,334,125		1,017,288
Net assets excluding pension liability			3,748,351		3,333,476
Defined benefit pension scheme liability	**18**		(1,495,000)		(1,413,000)
Total net assets			2,253,351		1,920,476
Funds of the Trust:					
Restricted funds	**16**				
- Fixed asset funds			2,414,226		2,316,188
- Restricted income funds			587,740		271,592
- Pension reserve			(1,495,000)		(1,413,000)
Total restricted funds			1,506,966		1,174,780
Unrestricted income funds	**16**		746,385		745,696
Total funds			2,253,351		1,920,476

The financial statements on pages 20 to 41 were approved by the Trustees and authorised for issue on 11.12.2020 ..... and are signed on their behalf by:

.....

Mr J Turnbull
Chairman

Company Number 08722556

FRIARS MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Net cash provided by operating activities	19		562,924		192,179
Cash flows from investing activities					
Investment income		582		582	
Capital grants from DfE Group		(137,231)		-	
Capital funding received from sponsors and others		166,941		26,508	
Purchase of tangible fixed assets		(260,856)		(83,682)	
Net cash used in investing activities			(230,564)		(56,592)
Cash flows from financing activities					
Finance costs		(309)		(271)	
Net cash used in financing activities			(309)		(271)
Net increase in cash and cash equivalents in the reporting period			332,051		135,316
Cash and cash equivalents at beginning of the year			1,129,871		994,555
Cash and cash equivalents at end of the year			1,461,922		1,129,871

1 Accounting policies

Friars Multi Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Friars Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 Income

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

Grants receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

1 Accounting policies **(Continued)**

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 period it is receivable and to the extent the Trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 years straight line
Motor vehicles	12 years straight line

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

A review for impairment of fixed assets 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.

1.6 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 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.

1.7 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.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1 Accounting policies **(Continued)**

1.9 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 projected unit method. The 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 are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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.

1 Accounting policies (Continued)

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful lives of fixed assets - depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Academy's accounting policies. Useful lives are regularly reviewed and should they shorten, then depreciation charges would increase in the financial statements and the carrying amounts of the fixed assets would reduce accordingly.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Private sponsorship	-	1,389	1,389	2,203
Capital grants	-	166,941	166,941	26,508
Other donations	-	-	-	67,785
	-	168,330	168,330	96,496

In 2019, of the total income from donations and capital grants, £67,785 was to unrestricted funds, £2,203 was to restricted funds and £26,508 was to restricted fixed asset funds.

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,031,130	3,031,130	2,733,396
Total funding	-	3,031,130	3,031,130	2,733,396

In 2019, of the total income for the Academy Trust's educational operations, £Nil was to unrestricted funds and £2,733,396 was to restricted funds.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Parental contributions to student visits and events	-	3,445	3,445	5,355
Other income	107	89,825	89,932	40,466
	107	93,270	93,377	45,821

In 2019, of the total income from other trading activities, £3,201 was to unrestricted funds and £42,620 was to restricted funds.

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	582	-	582	582

In 2019, of the total investment income, £582 was to unrestricted funds and £Nil was to restricted funds.

7 Expenditure

	Staff costs £	Non pay expenditure: Premises & equipment £	Other costs £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	2,104,589	114,179	54,700	2,273,468	2,166,722
- Allocated support costs	513,457	84,997	225,622	824,076	741,519
Total expenditure	2,618,046	199,176	280,322	3,097,544	2,908,241

In 2020, of the total expenditure, £Nil (2019: £Nil) was to unrestricted funds and £3,062,563 (2019: £2,908,241) was to restricted funds.

Net income/(expenditure) for the year includes:	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,050	5,900
- Other services	10,325	6,450
Operating lease rentals	1,433	279
Depreciation of tangible fixed assets	162,819	124,870

8 Charitable activities

All from restricted funds:	2020 £	2019 £
Direct costs		
Educational operations	2,273,468	2,166,722
Support costs		
Educational operations	824,076	741,519
	3,097,544	2,908,241

8 Charitable activities (Continued)

	2020	2019
	£	£
Analysis of support costs		
Support staff costs	513,457	411,174
Depreciation	48,639	43,154
Technology costs	9,175	23,166
Premises costs	125,057	125,700
Other support costs	69,879	76,120
Governance costs	57,869	62,205
	824,076	741,519

9 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£	£
Wages and salaries	1,847,048	1,815,934
Social security costs	169,590	166,822
Pension costs	595,914	444,039
Amounts paid to staff	2,612,552	2,426,795
Staff development and other staff costs	5,494	11,341
Total staff expenditure	2,618,046	2,438,136

Staff numbers

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

	2020	2019
	Number	Number
Teachers	27	28
Administration and support	44	43
Management	8	8
	79	79

9 Staff (Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £95,000	1	-

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £534,688 (2019: £498,388).

10 Trustees' remuneration and expenses

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. During the year, travel and subsistence payments totalling £170 (2019: £137) were reimbursed to Trustees.

The value of Trustees' remuneration was as follows:

Mrs S Ijewsky (Head Teacher and Governor)
Remuneration £90,000 - £95,000 (2019: £85,000 - £90,000)
Employers pension contributions £20,000 - £25,000 (2019: £10,000 - £15,000)

Other related party transactions involving the Trustees are set out within the related parties note.

11 Trustees and officers insurance

In accordance with normal, commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 is included within insurance in the Statement of Financial Activities.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	2,157,708	42,240	608,463	81,478	2,889,889
Additions	-	50,836	210,020	-	260,856
At 31 August 2020	2,157,708	93,076	818,483	81,478	3,150,745
Depreciation					
At 1 September 2019	251,078	21,854	266,725	34,044	573,701
Charge for the year	43,154	31,026	81,848	6,790	162,818
At 31 August 2020	294,232	52,880	348,573	40,834	736,519
Net book value					
At 31 August 2020	1,863,476	40,196	469,910	40,644	2,414,226
At 31 August 2019	1,906,630	20,386	341,738	47,434	2,316,188

13 Debtors

	2020	2019
	£	£
Trade debtors	6,233	1,019
VAT recoverable	43,044	54,078
Prepayments and accrued income	181,119	39,738
	230,396	94,835

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	159,878	33,833
Other taxation and social security	91,458	39,494
Other creditors	-	7,810
Accruals and deferred income	106,857	126,281
	358,193	207,418

15 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	53,830	61,296
Deferred income at 1 September 2019	61,296	59,664
Released from previous years	(61,296)	(59,664)
Resources deferred in the year	53,830	61,296
Deferred income at 31 August 2020	53,830	61,296

At the balance sheet date the Trust was holding funds received in advance in respect of its devolved capital grant and parental contributions received in advance of educational visits planned for 2020/21.

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	271,592	3,031,130	(2,633,728)	(81,254)	587,740
Other restricted funds	-	94,659	(81,998)	(12,661)	-
Pension reserve	(1,413,000)	-	(219,000)	137,000	(1,495,000)
	(1,141,408)	3,125,789	(2,934,726)	43,085	(907,260)
Restricted fixed asset funds					
Inherited on conversion	2,285,976	-	(101,876)	-	2,184,100
DfE group capital grants	30,212	166,941	(60,942)	93,915	230,126
	2,316,188	166,941	(162,818)	93,915	2,414,226
Total restricted funds	1,174,780	3,292,730	(3,097,544)	137,000	1,506,966
Unrestricted funds					
General funds	745,696	689	-	-	746,385
Total funds	1,920,476	3,293,419	(3,097,544)	137,000	2,253,351

16 Funds **(Continued)**

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

General Annual Grant (GAG)
The General Annual Grant (GAG) has been provided by the ESFA/DfE in order to fund the normal running costs of the Trust. During the period the Trust's GAG expenditure exceeded GAG income. Where the GAG income exceeds GAG expenditure, the balance will be carried forward to use in future years and enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA Grants
This represents various grants from local and national government bodies for the provision of specific services to pupils of Friars Academy.

Pension Reserve
The restricted Pension reserve represents the deficit on the Trust's share of the Local Government Pension Scheme as at 31 August 2020.

Other Restricted Funds
Other Restricted Funds include funding from the sale of uniforms and education related goods, exam fee income and income for educational supplies and services. These funds will be applied in 2020/21.

Restricted Fixed Assets
Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for specific purpose. The transfer of £93,915 represents the costs of acquired tangible fixed assets funded through GAG income.

16 Funds (Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	131,133	2,733,396	(2,568,016)	(24,921)	271,592
Other restricted funds	-	112,608	(80,355)	(32,253)	-
Pension reserve	(831,000)	-	(135,000)	(447,000)	(1,413,000)
	(699,867)	2,846,004	(2,783,371)	(504,174)	(1,141,408)
Restricted fixed asset funds					
Transfer on conversion	2,335,920	-	(49,944)	-	2,285,976
DfE group capital grants	21,456	26,508	(74,926)	57,174	30,212
	2,357,376	26,508	(124,870)	57,174	2,316,188
Total restricted funds	1,657,509	2,872,512	(2,908,241)	(447,000)	1,174,780
Unrestricted funds					
General funds	741,913	3,783	-	-	745,696
Total funds	2,399,422	2,876,295	(2,908,241)	(447,000)	1,920,476

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	2,414,226	2,414,226
Current assets	746,385	945,933	-	1,692,318
Creditors falling due within one year	-	(358,193)	-	(358,193)
Defined benefit pension liability	-	(1,495,000)	-	(1,495,000)
Total net assets	746,385	(907,260)	2,414,226	2,253,351

17 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	2,316,188	2,316,188
Current assets	745,696	479,010	-	1,224,706
Creditors falling due within one year	-	(207,418)	-	(207,418)
Defined benefit pension liability	-	(1,413,000)	-	(1,413,000)
Total net assets	745,696	(1,141,408)	2,316,188	1,920,476

18 Pensions and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire County Council. Both are 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 £Nil (2019: £Nil) were payable to the schemes at 31 August 2020.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

18 Pensions and similar obligations **(Continued)**

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to the TPS in the period amounted to £366,615 (2019: £284,497).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rate for the forthcoming year is £131,000.

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.

Total contributions made	**2020**	**2019**
	£	**£**
Employer's contributions	138,000	139,000
Employees' contributions	38,000	36,000
Total contributions	176,000	175,000

18 Pensions and similar obligations **(Continued)**

Principal actuarial assumptions	**2020**	**2019**
	%	**%**
Rate of increases in salaries	2.7	2.6
Rate of increase for pensions in payment	2.2	2.3
Discount rate	1.7	1.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 August 2020:	**Approximate % Increase to Employer Liability**	**Approximate monetary amounts £'s**
0.5% decrease in Real Discount Rate	13%	425,000
0.5% increase in the Salary Increase Rate	1%	18,000
0.5% increase in the Pension Increase Rate	12%	401,000

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

	2020	**2019**
	Years	**Years**
Retiring today		
- Males	21.5	21.2
- Females	23.7	23.3
Retiring in 20 years		
- Males	22.3	22.3
- Females	25.1	24.7

The Trust's share of the assets in the scheme	**2020**	**2019**
	Fair value	**Fair value**
	£	**£**
Equities	1,212,000	1,094,400
Bonds	281,000	258,400
Cash	53,000	30,400
Property	211,000	136,800
Total market value of assets	1,757,000	1,520,000
Actual return on scheme assets - gain/(loss)	100,000	68,000

18 **Pensions and similar obligations** (Continued)

Amounts recognised in the statement of financial activities	**2020**	**2019**
	£	**£**
Current service cost (net of employee contributions)	330,000	240,000
Net interest cost	27,000	24,000
Plan introductions, benefit changes, curtailments and settlements	-	10,000
Total operating charge	357,000	274,000

Changes in the present value of defined benefit obligations	**2020**
	£
Obligations at 1 September 2019	2,933,000
Current service cost	330,000
Interest cost	56,000
Employee contributions	38,000
Actuarial gain	(66,000)
Benefits paid	(39,000)
At 31 August 2020	3,252,000

Changes in the fair value of the Trust's share of scheme assets	**2020**
	£
Assets at 1 September 2019	1,520,000
Interest income	29,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	71,000
Employer contributions	138,000
Employee contributions	38,000
Benefits paid	(39,000)
At 31 August 2020	1,757,000

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	195,875	(31,946)
Adjusted for:		
Capital grants from DfE and other capital income	(166,941)	(26,508)
Investment income receivable	(582)	(582)
Finance costs payable	309	271
Defined benefit pension costs less contributions payable	192,000	111,000
Defined benefit pension scheme finance cost	27,000	24,000
Depreciation of tangible fixed assets	162,818	124,870
Decrease in debtors	1,670	24,535
Increase/(decrease) in creditors	150,775	(33,461)
Net cash provided by operating activities	562,924	192,179

20 Commitments under operating leases

At 31 August 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2020 £	2019 £
Amounts due within one year	664	3,984
Amounts due between one and five years	-	664
	664	4,648

In addition to the above, on conversion Friars Academy committed to a 125 year lease of the land it occupies from Northamptonshire County Council for a peppercorn rent.

21 Capital commitments

The Trust had no capital commitments in existence at the current year end (2019: none).

22 Related party transactions

Owing to the nature of the 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 the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

There were no transactions with related parties during the year ended 31 August 2020 which require disclosure.

In the opinion of the Trustees, there is no ultimate controlling party.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.