

**THE FLITCH GREEN ACADEMY
(A Company Limited by Guarantee)**

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE FLITCH GREEN ACADEMY

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THE FLITCH GREEN ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Gurr N Lowe N Brazier R Earle S Collom R Barrett
Trustees	S Collom K Jordan, Staff Trustee K Bailey L Miles C Shakallis, Staff Trustee M Gurr (Resigned 18 October 2019) J Pick (resigned 13 July 2020) J Shakallis E Goodings R Earle, Vice Chair N Lowe, Principal and Accounting Officer (resigned 31 December 2019) L Buchanan J Pickett R Barrett, Chair E Hodgkinson, Principal and Accounting Officer (appointed 1 January 2020, resigned 31 August 2020) C Criscione S Evans, Acting Principal and Accounting Officer (Appointed 1 September 2020) C Knightley (Appointed 2 October 2020) N Willis, Principal (Appointed 1 September 2020) S Rider (Appointed 22 October 2020)
Company number	07477728
Company name	The Flitch Green Academy
Registered and principal office	The Flitch Green Academy Tanton Road Dunmow CM6 3GG
Chief Executive Officer	N Lowe (resigned 31 December 2019) E Hodgkinson (1 January 2020 to 31 August 2020) S Evans (from 1 September 2020)
Senior Leadership Team	N Lowe, (resigned 31 December 2019) S Evans N Mead E Hodgkinson
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford CM23 3BT

THE FLITCH GREEN ACADEMY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of The Flitch Green Academy ("the Academy", "the Trust" or "the Charitable Company") for the year ended 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates an academy school for pupils aged 4-11 serving the catchment area of Flitch Green. It has a pupil capacity of 285 and had a roll of 271 in the 2019 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity and its primary governing documents are its Memorandum and Articles of Association. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as The Flitch Green Academy ("the School").

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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 and Officers' Indemnities

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 Academy business. The insurance provides cover up to £5,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

The Trustees are appointed under the terms of the Charitable Company's articles of association as follows:

- The Principal and up to
- 6 Community Governors
- 6 Parent Governors
- 2 Staff Governors
- Any Governors elected by the Secretary of State for Education
- Up to three co-opted Governors

The term of office for all Trustees, excluding the Principal is four years. The Principal's term of office runs in parallel with their contract of employment.

Parent Governors are approached individually, as well as a whole group. Unless elected unopposed, Parent Governors will be elected via a vote. Staff Governors are elected through the same process as Parent Governors. Community Governors and Co-opted Governors are approached individually and voted on to the Governing Body by the current Governors.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors is tailored to individual requirements. All Governors are provided with copies of the documents they will need to undertake their role, which include but are not limited to: Keeping Children Safe in Education, Child Protection Policy, Governors and Staff Code of Conduct, Financial Handbook, Governors Handbook and Managing Public Money. A bespoke induction pack is provided for all new Governors. Training is also monitored throughout the year by the designated link Governor.

THE FLITCH GREEN ACADEMY

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

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. The organisational structure of the Trust consists of three levels: Members, Trustees and Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in making major strategic decisions at all levels.

The Governing Body, which meets on at least four occasions per year and each individual committee at least three times per year, is responsible for the strategic direction of the Trust. The Governing Body reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year and set the organisational staffing structure.

The Principal is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Principal has delegated responsibility for authorising spending within the agreed budgets and in agreement with either the Vice Principal or Finance and Business Manager, up to a limit of £20,000. The Vice Principal and Finance and Business Manager can authorise all orders up to £5,000. The Finance, Audit and Risk Committee can authorise orders between £20,001 and £100,000 and the Governing Body must authorise any orders over £100,000. A system of financial controls is in place to manage this process subject to the appropriate tendering procedures.

The Leadership Team for the Trust are the Principal, Vice Principal, the Finance and Business Manager, and SENCo. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. They meet frequently to discuss emerging matters and help develop strategies for future development to be put to the Governing Body as required for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration for the Trust's key management personnel is decided by a variety of contributory factors, such as school groups size, the pay scale for each role, range of duties and responsibilities and level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration (excluding the Principal) are approved by the Leadership and People Committee. The Principal's pay and remuneration is approved by the Remuneration Committee and ratified by the full Governing Body.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee 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. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

There were no related party transactions in the year ending 31st August 2020.

The Trust also works closely with Apple Inc, Polka Dot Planning, Cambridge University and Friends of Flitch Green.

The Trust does not have a formal sponsor.

THE FLITCH GREEN ACADEMY

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

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of the Flitch Green Academy to provide free education and care for pupils of different abilities between the ages of 4 and 11.

Objectives, Strategies and Activities

During the year the Trust has worked towards achieving these aims by:

- ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Academy by keeping the curriculum and organisation under continual review;
- providing value for money of the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Trust's business in accordance with the highest standards of integrity.

The Trust's main strategy is encompassed in its vision statement; 'To provide creative learning experiences which will inspire and challenge our children to maximise their academic potential. Ensuring children leave us as honest, kind and respectful young people, equipped with the skills to continue their journey as lifelong learners'.

To this end the Trust aims to:

- be dedicated to pursue excellence through stimulated and active learning, so that achievements of all are recognised and celebrated;
- develop enquiring minds through experience and discovery;
- ensure all children are active learners engaged in a broad, creative and balanced curriculum using up to date facilities and technologies;
- develop an environment in which courtesy, mutual respect and good manners are of great importance;
- pursue academic excellence and to create a culture of high achievement;
- raise educational standards, individual achievement and progress;
- ensure high quality teaching and support for learning, which uses the best possible techniques and approaches;
- develop appropriately personalised pathways through the curriculum, which ensure both breadth and balance and the opportunity to develop special skills and talents;
- provide high levels of pastoral care, personal coaching and family support with an emphasis on individual pupil needs;
- provide structured opportunities for extension and broadening of experience beyond the limits of the local area;
- ensure regular participation and achievement in physical activity and sport;
- champion the development of self-esteem and self-worth in each pupil; and
- bring about collaborative partnerships for learning with a range of other organisations.

Human Equalities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the School. The policy of the Trust is to support recruitment and retention of pupils and employees with disabilities. The Trust does this by adapting the physical environment, by making resources available and through training and career development.

THE FLITCH GREEN ACADEMY

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

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

During the year ended 31 August 2018 The Flitch Green Academy was assessed as 'Good' by the Office for Standards in Education (OFSTED).

Statutory testing for 2020 was suspended by Government due to the Covid-19 Pandemic.

Key Stage 2 predicted outcomes 2020:

Reading: 80% predicted for the 'expected standard'.
33% predicted for the 'high standard'.
Writing: 73% predicted for the 'expected standard'.
21% predicted for the 'high standard'.
Maths: 74% predicted for the 'expected standard'.
26% predicted for the 'high standard'.

Grammar, Punctuation and Spelling:
80% predicted for the 'expected standard'.
30% predicted for the 'high standard'.

Reading, Writing and Maths combined:
There was no combined score due to statutory testing being suspended.

Key Stage 1 predicted outcomes 2020:

Reading: 71% predicted for the 'expected standard'.
20% predicted for the 'high standard'.
Writing: 73% predicted for the 'expected standard'.
22% predicted for the 'high standard'.
Maths: 71% predicted for the 'expected standard'.
20% predicted for the 'high standard'.

Reading, Writing and Maths combined:
There was no combined score due to statutory testing being suspended.

Year 1 Phonics Screening Check:
There was no outcome for the Phonics Screening Check, as this was postponed until Autumn 2020.

EYFS – Good Level of Development:
76% predicted for 'Good Level of Development' at the end of the Early Years Foundation Stage.

Pupil attendance stood at 95.13% for the period, compared with the national average of 94.86%.

THE FLITCH GREEN ACADEMY

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

Key Performance Indicators

Regular information is reported at each Curriculum Committee meeting to enable Trustees to monitor the educational performance of the Trust compared to its aims and development plan.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2020 were 271 in line with the forecast.

Another key financial performance indicator is staffing costs as a percentage of total grant income. For 2019/20 this was 81% against set parameters of 80%. The Governing Body is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures previously approved.

The Finance, Audit and Risk Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Governing Body.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

In making this statement the Board of Trustees has taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.3.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received £1,252,420 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £1,296,955 on general running costs (excluding depreciation). The Academy brought forward from 18/19, £110,719 restricted funds and £289,309 unrestricted funding. The carry forward for 19/20 is £121,262 restricted funding and £305,396 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £948,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via monthly reports from the Finance and Business Manager.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £305,396. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

THE FLITCH GREEN ACADEMY

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

The Trust returned a small surplus during the 2019/2020 financial year, before depreciation and pension reserve movements. This was due to reducing staffing levels, where appropriate and without compromising teaching and learning objectives, as well as continued tight controls over day-to-day spending and the constant review of service level agreements. In 2021/2022 the forecast shows a significant deficit. This is due to the ever-increasing cost of salaries, pension and National Insurance contributions with no guarantee of funding to match this. There is a strong likelihood that part of the reserve funds may be needed to fund the downturn in the cash flow for this year.

The cash balance of the Academy has been healthy all year, ending the year with a balance of £499,205.

Investment Policy

Surplus cash funds are only allowed to be invested within Lloyds Bank. Funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's income with minimal risk. The Trust does not consider the investment of surplus funds as a primary activity, rather a result of good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance, Audit and Risk Committee meeting. Price Bailey LLP have been appointed to carry out all internal audits and report to the Finance, Audit and Risk Committee.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. As an Academy School, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

THE FLITCH GREEN ACADEMY

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

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the continuing economic uncertainty surrounding the current global Covid-19 pandemic and the additional costs faced by the trust to ensure that the Academy can continue to remain fully open and safe to pupils and staff. To date core funding continues to be received from the ESFA and there has been no requirement to furlough staff. However, the Trust has recognised that additional funding, such as hire of facilities, income from wrap around care and fundraising have all but ceased. The lack of income from these sources could lead to the inability to purchase much needed goods and services. The Trustees continue to monitor and assess the risks and impact of the Covid-19 pandemic on its pupils, staff and finances by the use of a comprehensive risk assessment. At the time of writing this Report the Trustees are confident that the Academy can continue to provide a safe environment for pupils to continue their journey of learning. Furthermore, due to a healthy cash position and strong reserves the Trustees believe the Academy will be in a position to continue to provide a high standard of education to its pupils throughout the current academic year and beyond.
- the Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student progress and outcomes are closely monitored and reviewed;
- local - additional houses being built nearby leading to the Academy being oversubscribed and/or being directed to take pupils as part of the Fair Access Protocol;
- safeguarding and child protection - the Trustees 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;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Trust has appointed Price Bailey LLP to carry out independent and external checks on financial systems and records as required by the Academies Financial Handbook.
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by holding more regular reviews and ensuring staff awareness. This has been achieved by the assembly and convening of the Critical Incident Group and the regular reporting of this group's assessments and recommendations to the full Governing Body.

THE FLITCH GREEN ACADEMY

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

Fundraising

The Trust only held small fundraising events during the first half of the year including class made food sales, uniform sales and non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Trade Union Facility Time

No employees were relevant union officials during the period (2019: nil).

Plans for Future Periods

In the academic year 2020/21 the Trust has set the following objectives to continue to improve outcomes for all children:

- To address gaps from the period of school closure and implement a recovery plan to support all pupils in closing the attainment gap.
- To enable children to know more, remember more and do more.
- To support the wellbeing of all staff and pupils.
- To ensure middle leaders are highly effective in improving teaching and learning in their subjects.

Funds Held as Custodian Trustee on Behalf of Others

No funds are held by the Trust as Custodian Trustees on behalf of others

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees would like to thank the staff, pupils and parents for their dedication, support and patience through what has been an unprecedented and tough year for all.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:

R Barrett
Chair

THE FLITCH GREEN ACADEMY

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Flitch Green Academy 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 three times during the year. The Board met fewer than six times during the year and is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of two such sub-committees are noted below.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Collom	2	3
K Jordan, Staff Trustee	3	3
K Bailey	3	3
L Miles	3	3
C Shakallis, Staff Trustee	0	3
M Gurr	0	1
J Pick	3	3
J Shakallis	1	3
E Goodings	1	3
R Earle, Vice Chair	3	3
N Lowe, Principal and Accounting Officer	2	2
L Buchanan	3	3
J Pickett	2	3
R Barrett, Chair	3	3
E Hodgkinson, Principal and Accounting Officer	1	2
C Criscione	0	3
S Evans, Acting Principal and Accounting Officer	0	0
C Knightley	0	0
N Willis, Principal	0	0
S Rider	0	0

THE FLITCH GREEN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Review of year:

For the year ending 31st August 2020 the board saw two Community Governors and the Principal step down. One Parent Governor moved to the role of Community Governor due to their child leaving the Academy. The Board were unable to fill the vacancies during the year due to the additional workload impressed upon them by the global Covid-19 pandemic. Work to fill these vacancies will take place early in the new year.

The main challenge faced by the Board this year has been the global Covid-19 pandemic and the closure of the Academy in mid-march to all but key worker children. The Board worked tirelessly with the leadership team to reduce risk levels relating to safety, school grounds/buildings and finance by meeting 'virtually' at least once a week. Risk assessments were monitored and changed continuously in line with guidance from central Government and the Academy was able to re-open to Reception, Year 1 and Year 6 children throughout the second half of the summer term. The Board noted a loss of income relating to the temporary closure of wrap around care and clubs hiring the facilities, but deemed the safety of the pupils and staff to be paramount over the monies these income streams would realise.

Other challenges that have faced the Board this year include setting a balanced budget for the year ahead, as well as adjusting staffing levels in line with the funding received. In addition to this Governors have been working hard to plan for the next three years taking into account the continual reduction of funding and increasing staffing and running costs, along with the ongoing economic impact of the global Covid-19 pandemic.

Due to the cancellation of the meeting in March 2020, the Board of Trustees formally met just three times. The Governing Body continued to monitor and challenge the Leadership Team in all areas of the curriculum, personnel, finance and risk management. Final outcomes for children were not realised due the cancellation of Year 2 and Year 6 SAT's, as well as year 1 phonics screening.

Governance review:

An external review of Governance was carried out in the summer term, which showed the board to be compliant in all areas with only minor adjustments to practice being advised. Terms of Reference are reviewed regularly to ensure Committees and key individuals have effective control over their delegated areas. Governors receive regular and effective reporting from the leadership team and provide ample challenge to these reports at meetings.

The external review noted that the Board could have taken up more training opportunities during the year. However, this was impacted by the ongoing global Covid-19 pandemic.

Due to the cancellation of the meeting in March 2020, The Board of Trustees formally met just three times during the year and is satisfied that through the use of sub-committees it maintains effective oversight. Management Accounts have been circulated monthly to the Chair and Chair of the Finance, Audit and Risk Committee.

THE FLITCH GREEN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. This year the Finance and General Purposes Committee and the Audit Committee were combined into the Finance, Audit and Risk Committee. Its purpose is to:

- To ensure all funds received from the Secretary of State are used for the purposes prescribed by the ESFA or other appropriate Government body.
- To assist in the preparation of and approve the annual budgets for expenditure in the forthcoming financial year.
- To keep under review actual financial performance compared with budget and to take remedial action as necessary.
- To make decisions as to spending within the delegated powers given to it.
- To advise the Governing Body on the appropriateness or otherwise of spending requests outside the delegated powers given to it.
- To monitor all spending within the Academy.
- To receive reports from the Chief Financial Officer at least six times a year
- To consider and advise the Governing Body on the financial statements, Auditor's Reports and management letters and the management responses to these reports and receive the annual audited financial statement to inform that process, after oversight by the Audit and Risk Committee.
- To meet with the Auditors prior to and following the annual external audit.
- Review the Academy Financial Regulations and Scheme of Delegation annually and ensure they are implemented by Academy financial staff.
- To agree and determine charges for the letting of the Academy premises including the grounds.
- Make recommendations to the Governing Body for future financial planning.
- Advise the Principal on matters relating to the finances of the Academy.
- To advise the Governing Body on the adequacy and effectiveness of its systems of internal control and its arrangements for risk management, control and governance processes, including controls for securing economy, efficiency and effectiveness (value for money).
- To monitor the implementation of agreed recommendations relating to the internal audit assignment and annual reports, financial statements Auditor's management letter and any special reports commissioned.
- To be informed of all additional services undertaken by the Internal Audit Service.
- To consider the Trust's risk appetite level and to monitor the Trust's progress against its Risk Management Action Plan.
- To identify any new (urgent or critical) risks through appropriate reporting mechanisms.
- To ensure appropriate audit work on risk management is performed.
- To collect information on risks and risk management.
- To advise the Governing Body on the appointment, re-appointment, dismissal and remuneration of the internal Audit Service.
- To consider and advise the Governing Body on the scope and objectives of the work of the IAS, including audit needs assessments and strategic, annual and short-term audit plans for the IAS, including one off assignments.
- To consider and advise the Governing Body on internal audit assignment reports and on their annual report, and management's responses to these reports.
- To advise the Governing Body on the appointment, re-appointment, dismissal and remuneration of the financial statements Auditor.
- To consider and advise the Governing Body on the financial statements Auditor's Reports and management letters and the management responses to these reports and receive the annual audited financial statement to inform that process.
- To consider and advise the Governing Body on the scope and objectives of the work of the financial statements Auditor.
- To review policies related to this committee implemented by the Leadership Team in order to ensure their alignment to the Trust's strategic plans.
- To monitor the implementation and regular review of policies related to this committee.
- To review annually the performance of the external and internal auditor.

THE FLITCH GREEN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

There was one addition and one withdrawal to the Committee within the year. The main challenge for the Committee was to assist in composing a balanced budget for 2019/2020, as well as setting a realistic 3 year forecast, taking into account the rising running costs and continued lack and guarantee of funding. Other notable challenges include monitoring the Risk Register in conjunction with latent defects of the previous years building work and the ever increasing number of children the Academy were asked to take by the Local Authority.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Collom	2	4
R Barrett	3	4
J Shakallis	4	4
E Goodings	1	4
K Jordan	4	4
L Miles	4	4
C Criscione	3	4
N Lowe	1	1
E Hodgkinson	3	3
C Shakallis	1	1
J Pickett	1	4

Review of value for money

As Accounting Officer the Principal 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 appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Ensuring the Board and leadership team are committed to monitoring and adjusting staffing levels, without compromising quality and effectiveness to children's learning. All vacancies were appraised for their need and value. Any changes and adjustments were reviewed in line with the Academy's three-year budget plan.
- Service contracts were appraised and retendered where appropriate. A new cleaning contract was entered into following a closed tender offered out to three local companies. The new company were able to offer an enhanced service at a lower cost to the Academy.
- Being part of the Dunmow Excellence in Education Partnership (DEEP), which provides an active network for sharing good practice and resources across all Dunmow schools, as well as effective cumulative staff training and buying power for goods and services. The partnership has also allowed local school leaders to share insight, guidance and knowledge this year in the face of the ongoing global Covid-19 pandemic.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Flitch Green Academy for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

THE FLITCH GREEN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of 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, Audit and Risk 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

Internal Scrutiny/Audit

The Board of Trustees has considered the need for a specific internal audit function and appointed Price Bailey as Internal Auditor.

The Trustees note and accept the changes to the FRC's Ethical Standard, which no longer allows the same entity to carry out both the external and internal audit function. However, the Trust has taken advantage of the transitional rules, which have allowed the current arrangements to run and conclude throughout the 2019/20 academic year. After the consideration and recommendation of the Finance, Audit and Risk Committee, the Board of Trustees has decided to opt for a brought-in internal audit service from a firm of registered auditors. The trust intends to obtain quotes for this service and ultimately appoint an Internal Auditor during the Autumn 2020/21 term.

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

- Key Financial Controls
- ESFA and AFH Musts and Governance Review

Twice a year, the Internal Auditor reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

THE FLITCH GREEN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Principal 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 financial management and governance self-assessment process; or the school resource management self-assessment tool
- 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, Audit and Risk committee and plan to address weaknesses and ensure continuous improvement of the system in place.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on its behalf by:

R Barrett
Chair of Trustees

S Evans
Accounting Officer

THE FLITCH GREEN ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Trust I have considered my responsibility to notify the 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 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 Board of Trustees are able to identify any material irregular or improper use of all 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.

S Evans

Accounting Officer (appointed 1 September 2020)

10 December 2020

THE FLITCH GREEN ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

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

Company law requires the 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 of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 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 9 December 2020 and signed on its behalf by:

R Barrett
Chair of Trustees

THE FLITCH GREEN ACADEMY

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE FLITCH GREEN ACADEMY

Opinion

We have audited the financial statements of The Flitch Green Academy (the '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 related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 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 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.

THE FLITCH GREEN ACADEMY

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE FLITCH GREEN ACADEMY (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 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 Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

THE FLITCH GREEN ACADEMY

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE FLITCH GREEN ACADEMY (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our Report

This Report is made solely to the 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 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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 10 December 2020

THE FLITCH GREEN ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FLITCH GREEN ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Flitch Green Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Flitch Green Academy's Accounting Officer and the Reporting Accountant

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

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

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 FLITCH GREEN ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FLITCH GREEN ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw our conclusions includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance;
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities;
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance;
- Discussions with and representations from the Accounting Officer and other key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant
Price Bailey LLP
Chartered Accountants

10 December 2020

THE FLITCH GREEN ACADEMY

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	153	16,191	6,835	23,179	53,727
Charitable activities	4	42	1,175,305	-	1,175,347	1,121,594
Other trading activities	5	52,929	-	-	52,929	90,739
Investments	6	965	-	-	965	733
Total income		54,089	1,191,496	6,835	1,252,420	1,266,793
Expenditure on:						
Charitable activities	7	38,002	1,258,953	102,563	1,399,518	1,382,588
Total expenditure		38,002	1,258,953	102,563	1,399,518	1,382,588
Net movement in funds before other recognised gains/(losses)		16,087	(67,457)	(95,728)	(147,098)	(115,795)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(243,000)	-	(243,000)	(153,000)
Net movement in funds		16,087	(310,457)	(95,728)	(390,098)	(268,795)
Reconciliation of funds:						
Total funds brought forward		289,309	(516,281)	4,018,719	3,791,747	4,060,542
Net movement in funds		16,087	(310,457)	(95,728)	(390,098)	(268,795)
Total funds carried forward		305,396	(826,738)	3,922,991	3,401,649	3,791,747

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 48 form part of these financial statements.

THE FLITCH GREEN ACADEMY
REGISTERED NUMBER: 07477728

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	13		3,922,486		4,000,365
			3,922,486		4,000,365
Current assets					
Debtors	14	37,573		33,808	
Cash at bank and in hand	20,21	499,205		475,493	
			536,778		509,301
Creditors: amounts falling due within one year	15	(109,615)		(90,919)	
			427,163		418,382
Net current assets			427,163		418,382
Total assets less current liabilities			4,349,649		4,418,747
Net assets excluding pension liability			4,349,649		4,418,747
Defined benefit pension scheme liability	22		(948,000)		(627,000)
Total net assets			3,401,649		3,791,747
Funds of the Trust					
Restricted funds:					
Fixed asset funds	16	3,922,991		4,018,719	
Restricted income funds	16	121,262		110,719	
			4,044,253		4,129,438
Restricted funds excluding pension asset	16	4,044,253		4,129,438	
Pension reserve	16	(948,000)		(627,000)	
			3,096,253		3,502,438
Total restricted funds			3,096,253		3,502,438
Unrestricted income funds			305,396		289,309
Total funds			3,401,649		3,791,747

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

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

R Barrett
Chair

THE FLITCH GREEN ACADEMY

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020**

The notes on pages 27 to 48 form part of these financial statements.

THE FLITCH GREEN ACADEMY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	22,747	62,831
Cash flows from investing activities	19	965	733
Change in cash and cash equivalents in the year		23,712	63,564
Cash and cash equivalents at the beginning of the year		475,493	411,929
Cash and cash equivalents at the end of the year	20, 21	<u>499,205</u>	<u>475,493</u>

THE FLITCH GREEN ACADEMY

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. Members are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy's registered office is Tanton Road, Dunmow, Essex, CM6 3GG.

1.3 Going concern

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

Following the year end the Academy has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

THE FLITCH GREEN ACADEMY

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

1. Accounting policies (continued)

1.4 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 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 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.

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.

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.

All resources expended are inclusive of irrecoverable VAT.

- **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.

1.6 Interest receivable

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

THE FLITCH GREEN ACADEMY

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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.

Depreciation is provided on the following bases:

L/Term leasehold property	- 50 years straight line
Furniture and equipment	- 7 years straight line
Computer equipment	- 7 years straight line

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

1.8 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 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.

1.10 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.

THE FLITCH GREEN ACADEMY

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

1. Accounting policies (continued)

1.11 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.

1.12 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 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

1.13 Pensions

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.

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 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 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.

THE FLITCH GREEN ACADEMY

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

1. Accounting policies (continued)

1.14 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 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE FLITCH GREEN ACADEMY

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	153	16,191	-	16,344	35,373
Capital grants	-	-	6,835	6,835	18,354
	<u>153</u>	<u>16,191</u>	<u>6,835</u>	<u>23,179</u>	<u>53,727</u>
Total 2019	<u>-</u>	<u>35,373</u>	<u>18,354</u>	<u>53,727</u>	

In 2019, income from donations was £35,373 of which all was restricted.

In 2019, income from capital grants of £18,354 were in relation to restricted fixed assets.

4. Funding for the Trust's provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	973,283	973,283	945,376
Other DfE / ESFA grants	-	146,371	146,371	143,124
	<u>-</u>	<u>1,119,654</u>	<u>1,119,654</u>	<u>1,088,500</u>
Other government grants				
Local authority grants	-	55,651	55,651	33,026
	<u>-</u>	<u>55,651</u>	<u>55,651</u>	<u>33,026</u>
Other funding				
Catering income	42	-	42	68
	<u>42</u>	<u>1,175,305</u>	<u>1,175,347</u>	<u>1,121,594</u>
Total 2019	<u>68</u>	<u>1,121,526</u>	<u>1,121,594</u>	

In 2019, income from DfE/ESFA grants was £1,088,500 of which all related to restricted.

In 2019, income from other government grants was £33,026 of which all related to restricted.

In 2019, income from catering was £68 of which all was unrestricted.

THE FLITCH GREEN ACADEMY

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	4,845	4,845	10,548
Other income	48,084	48,084	80,191
	<u>52,929</u>	<u>52,929</u>	<u>90,739</u>
Total 2019	<u>90,739</u>	<u>90,739</u>	

In 2019, income from the hire of facilities was £10,548 of which all was unrestricted.

In 2019, other income was £80,191 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	965	965	733
	<u>733</u>	<u>733</u>	
Total 2019	<u>733</u>	<u>733</u>	

In 2019, all investment income was in relation to unrestricted funds.

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	808,945	-	40,733	849,678	853,184
Support costs	220,235	222,202	107,403	549,840	529,404
	<u>1,029,180</u>	<u>222,202</u>	<u>148,136</u>	<u>1,399,518</u>	<u>1,382,588</u>
Total 2019	<u>1,010,650</u>	<u>194,417</u>	<u>177,521</u>	<u>1,382,588</u>	

THE FLITCH GREEN ACADEMY

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

7. Expenditure (continued)

In 2020, of the total expenditure, £38,002 (2019: £56,709) was made from unrestricted funds, £1,258,953 (2019: £1,218,257) was made from restricted funds, and £102,563 (2019: £107,622) was made from restricted fixed asset funds.

8. Charitable Activities

	2020 £	2019 £
Direct costs	849,678	853,184
Support costs	549,840	529,404
Total	1,399,518	1,382,588

	2020 £	2019 £
Analysis of support costs		
Support staff costs	220,235	226,823
Depreciation	102,563	107,622
Technology costs	5,889	6,929
Premises costs (excluding depreciation)	119,639	86,795
Other support costs	83,741	89,343
Governance costs	17,318	11,892
Legal costs	455	-
	549,840	529,404

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	459	1,376
Depreciation of tangible fixed assets	102,563	107,622
Fees paid to Auditors for:		
- audit	5,150	4,990
- other services	6,660	5,446
	108,772	119,434

THE FLITCH GREEN ACADEMY

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	733,775	743,388
Social security costs	59,489	59,974
Pension costs	225,201	189,318
	1,018,465	992,680
Agency staff costs	10,715	17,970
	1,029,180	1,010,650

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	10	11
Administration and support	32	33
Management	3	3
	45	47
	45	47

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	9	10
Administration and support	12	16
Management	3	3
	24	29
	24	29

THE FLITCH GREEN ACADEMY

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

10. Staff (continued)

c. Higher paid staff

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

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

d. 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 and employer national insurance contributions) received by key management personnel for their services to the Trust was £283,666 (2019 £296,228).

Included in the above are employer pension contributions of £44,779 (2019: £38,633) and employer National Insurance Contributions of £21,349 (2019: £25,015).

11. Trustees' remuneration and expenses

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

		2020 £	2019 £
N Lowe	Remuneration	20,000 - 25,000	60,000 - 65,000
	Pension contributions paid	5,000 - 10,000	10,000 - 15,000
C Shakallis	Remuneration	20,000 - 25,000	15,000 - 20,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
K Jordan	Remuneration	5,000 - 10,000	5,000 - 10,000
	Pension contributions paid	0 - 5,000	0 - 5,000
E Hodgkinson	Remuneration	40,000 - 45,000	
	Pension contributions paid	5,000 - 10,000	

During the year ended 31 August 2020, expenses totalling £853 were reimbursed or paid directly to 8 Trustees (2019 - £1458 to 3 Trustees)

THE FLITCH GREEN ACADEMY

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

12. 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 Academy business. The insurance provides cover up to £5,000,000 on any one claim.

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	4,634,222	112,738	95,887	4,842,847
Additions	14,460	-	10,224	24,684
	<u>4,648,682</u>	<u>112,738</u>	<u>106,111</u>	<u>4,867,531</u>
Depreciation				
At 1 September 2019	656,965	92,152	93,365	842,482
Charge for the year	92,684	5,650	4,229	102,563
	<u>749,649</u>	<u>97,802</u>	<u>97,594</u>	<u>945,045</u>
Net book value				
At 31 August 2020	<u>3,899,033</u>	<u>14,936</u>	<u>8,517</u>	<u>3,922,486</u>
At 31 August 2019	<u>3,977,257</u>	<u>20,586</u>	<u>2,522</u>	<u>4,000,365</u>

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	3,723	8,532
Other debtors	39	39
Prepayments and accrued income	25,282	19,365
VAT recoverable	8,529	5,872
	<u>37,573</u>	<u>33,808</u>

THE FLITCH GREEN ACADEMY

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

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	5,144	10,792
Other taxation and social security	24,586	15,522
Other creditors	16,987	15,004
Accruals and deferred income	62,898	49,601
	<u>109,615</u>	<u>90,919</u>
	2020 £	2019 £
Deferred Income		
Deferred income at 1 September 2019	43,222	34,670
Resources deferred during the year	30,292	43,222
Amounts released from previous periods	(43,222)	(34,670)
	<u>30,292</u>	<u>43,222</u>

THE FLITCH GREEN ACADEMY

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

16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
Unrestricted funds	289,309	54,089	(38,002)	-	305,396
	<u>289,309</u>	<u>54,089</u>	<u>(38,002)</u>	<u>-</u>	<u>305,396</u>
Restricted general funds					
General Annual Grant (GAG)	108,719	973,283	(968,269)	-	113,733
Other DfE / ESFA grants	-	146,371	(138,842)	-	7,529
Restricted donations	2,000	9,349	(11,349)	-	-
Restricted trips	-	6,842	(6,842)	-	-
Other Government grants	-	55,651	(55,651)	-	-
Pension reserve	(627,000)	-	(78,000)	(243,000)	(948,000)
	<u>(516,281)</u>	<u>1,191,496</u>	<u>(1,258,953)</u>	<u>(243,000)</u>	<u>(826,738)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	4,000,365	-	(102,563)	24,684	3,922,486
DfE / ESFA capital grants	18,354	6,835	-	(24,684)	505
	<u>4,018,719</u>	<u>6,835</u>	<u>(102,563)</u>	<u>-</u>	<u>3,922,991</u>
Total restricted funds	<u>3,502,438</u>	<u>1,198,331</u>	<u>(1,361,516)</u>	<u>(243,000)</u>	<u>3,096,253</u>
Total funds	<u><u>3,791,747</u></u>	<u><u>1,252,420</u></u>	<u><u>(1,399,518)</u></u>	<u><u>(243,000)</u></u>	<u><u>3,401,649</u></u>

THE FLITCH GREEN ACADEMY

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

16. Statement of funds (continued)

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

Other DfE and ESFA Grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government grants

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the Academy.

Restricted trips

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from a state controlled school.

Restricted fixed asset funds

Restricted fixed asset funds represent resources which are to be applied to specific capital purposes imposed by the DfE/ESFA.

The transfer between funds represents the net adjustment for additions and disposals of fixed assets purchased using GAG funding.

Restricted donations

This represents donations received by the Trust which have restrictions on what they can be used for applied to them.

DfE/ESFA Capital Grants

This represents funding received from the ESFA specifically for the maintenance and improvement of the Trust's buildings and facilities.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

THE FLITCH GREEN ACADEMY

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

16. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
Unrestricted funds	254,478	91,540	(56,709)	-	289,309
Restricted general funds					
General Annual Grant (GAG)	99,077	945,376	(935,734)	-	108,719
Other DfE / ESFA grants	-	143,124	(143,124)	-	-
Restricted donations	-	10,011	(8,011)	-	2,000
Restricted trips	-	25,362	(25,362)	-	-
Other Government grants	-	33,026	(33,026)	-	-
Pension reserve	(401,000)	-	(73,000)	(153,000)	(627,000)
	<u>(301,923)</u>	<u>1,156,899</u>	<u>(1,218,257)</u>	<u>(153,000)</u>	<u>(516,281)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	4,107,987	-	(107,622)	-	4,000,365
DfE / ESFA capital grants	-	18,354	-	-	18,354
	<u>4,107,987</u>	<u>18,354</u>	<u>(107,622)</u>	<u>-</u>	<u>4,018,719</u>
Total restricted funds	<u>3,806,064</u>	<u>1,175,253</u>	<u>(1,325,879)</u>	<u>(153,000)</u>	<u>3,502,438</u>
Total funds	<u><u>4,060,542</u></u>	<u><u>1,266,793</u></u>	<u><u>(1,382,588)</u></u>	<u><u>(153,000)</u></u>	<u><u>3,791,747</u></u>

THE FLITCH GREEN ACADEMY

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	3,922,486	3,922,486
Current assets	305,396	230,877	505	536,778
Creditors due within one year	-	(109,615)	-	(109,615)
Provisions for liabilities and charges	-	(948,000)	-	(948,000)
Total	305,396	(826,738)	3,922,991	3,401,649

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,000,365	4,000,365
Current assets	289,309	201,638	18,354	509,301
Creditors due within one year	-	(90,919)	-	(90,919)
Provisions for liabilities and charges	-	(627,000)	-	(627,000)
Total	289,309	(516,281)	4,018,719	3,791,747

THE FLITCH GREEN ACADEMY

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

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(147,098)	(115,795)
Adjustments for:		
Fixed asset additions	(24,684)	-
Depreciation	102,563	107,622
Interest receivable	(965)	(733)
Increase in debtors	(3,765)	(4,870)
Increase in creditors	18,696	3,607
Pension adjustments	78,000	73,000
Net cash provided by operating activities	22,747	62,831

19. Cash flows from investing activities

	2020 £	2019 £
Interest received	965	733
Net cash provided by investing activities	965	733

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	499,205	475,493
Total cash and cash equivalents	499,205	475,493

21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	475,493	23,712	499,205
	475,493	23,712	499,205

THE FLITCH GREEN ACADEMY

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

22. Pension commitments

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 Essex County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £16,987 were payable to the schemes at 31 August 2020 (2019 - £15,004) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £98,539 (2019 - £70,345).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

THE FLITCH GREEN ACADEMY

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

22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £75,000 (2019 - £71,000), of which employer's contributions totalled £59,000 (2019 - £55,000) and employees' contributions totalled £ 16,000 (2019 - £16,000). The agreed contribution rates for future years are 21.2 per cent for employers and 5.5-7.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.20	3.65
Rate of increase for pensions in payment/inflation	2.20	2.15
Discount rate for scheme liabilities	1.65	1.90
Inflation assumption (CPI)	2.20	2.15
Inflation assumption (RPI)	3.20	3.15

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	21.8	21.3
Females	23.8	23.6
Retiring in 20 years		
Males	23.2	23.0
Females	25.4	25.4

THE FLITCH GREEN ACADEMY

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

22. Pension commitments (continued)

As at the 31 August 2020 the Trust had a pension liability of £948,000 (2019 - £627,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(49,000)	(43,000)
Discount rate -0.1%	51,000	44,000
Mortality assumption - 1 year increase	52,000	45,000
Mortality assumption - 1 year decrease	(50,000)	(43,000)
CPI rate +0.1%	46,000	39,000
CPI rate -0.1%	(44,000)	(38,000)

Share of scheme assets

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

	2020 £	2019 £
Equities	344,000	398,000
Gilts	24,000	35,000
Corporate bonds	31,000	35,000
Property	43,000	50,000
Cash and other liquid assets	15,000	18,000
Alternative assets	64,000	62,000
Other managed funds	34,000	32,000
Total market value of assets	555,000	630,000

The actual return on scheme assets was £18,000 (2019 - £46,000).

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

	2020 £	2019 £
Current service cost	(126,000)	(99,000)
Past service cost	-	(19,000)
Interest income	13,000	15,000
Interest cost	(24,000)	(25,000)
Total amount recognised in the Statement of Financial Activities	(137,000)	(128,000)

THE FLITCH GREEN ACADEMY

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

22. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	1,257,000	915,000
Interest cost	24,000	25,000
Employee contributions	16,000	16,000
Actuarial losses	92,000	184,000
Benefits paid	(12,000)	(1,000)
Past service costs	-	19,000
Current service cost	126,000	99,000
At 31 August	<u>1,503,000</u>	<u>1,257,000</u>

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

	2020 £	2019 £
At 1 September	630,000	514,000
Interest income	13,000	15,000
Actuarial (losses)/gains	(151,000)	31,000
Employer contributions	59,000	55,000
Employee contributions	16,000	16,000
Benefits paid	(12,000)	(1,000)
At 31 August	<u>555,000</u>	<u>630,000</u>

23. Operating lease commitments

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

	2020 £	2019 £
Within 1 year	<u>-</u>	<u>459</u>

24. Members' liability

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

THE FLITCH GREEN ACADEMY

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

25. Related party transactions

Owing to the nature of the Trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The partner of S Collom is employed by the Academy as a support staff member on a contract approved by the Trustees.

During the year, donations received from Friends of Flitch Green, a charity of which Mrs N Brazier is also a Trustee, totalled £1,333 (2019: £5,643).

No related party transactions took place (2019: £Nil) in the period of the account, other than the Trustees remuneration and expenses already disclosed in note 11.