

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Cregan W Eveleigh G Peck (resigned 21 July 2020) N Divall (resigned 24 September 2019) P Dunne (appointed 1 January 2020)
Trustees	D McGachen, Head Teacher R Cregan, Chair of Trustees W Eveleigh, Vice Chair G Peck (resigned 21 July 2020) N Divall (resigned 24 September 2019) B Hutton (appointed 4 September 2019, resigned 7 September 2020) L Alfieri P Dunne, Chair of resources J Stephenson (appointed 28 February 2020) S Karthick Madabushi (appointed 16 June 2020)
Company registered number	09141878
Company name	Pinewood School Academy Trust
Principal and registered office	Hoe Lane Ware Hertfordshire SG12 9PB
Senior Leadership Team	D McGachen, Headteacher/Accounting Officer M Ritchie, Deputy Headteacher T Baines, Deputy Headteacher A Peacock, School Business Manager
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Bishop's Stortford Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

PINEWOOD SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report, together with the financial statements and Auditors' Report of Pinewood School Academy Trust (the Trust, the Academy or the Charitable Company), for the year ended 31 August 2020. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates a mixed secondary special academy for up to 160 pupils aged 11 – 16 years with Learning Difficulties; Autistic Spectrum Disorders (ASC); and Speech, Language and Communication Needs (SLCN). Pupils attend Pinewood from a radius of approximately 20 miles, including other Local Authorities and Boroughs, and all have a statement of special educational needs with nearly 1/3 of pupils on the autistic spectrum. It has a commissioned number of pupils of 160 and a roll of 169 as at 31st May 2020. The May 2020 school census was not submitted as it was not required due to the School being in lockdown.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents. 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 also known as Pinewood School (the School).

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1. Within this Report the term Trustee, Governor and Director are interchangeable.

Member's 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.

Trustee and Officers' Indemnities

In accordance with normal commercial practice, the Academy is a member of the Department for Education Risk Protection Arrangement (RPA) and thus has arrangements to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Membership provides for unlimited cover on any one claim.

Method of recruitment and appointment or election of Trustees

School specific arrangements are set out in the Articles/Funding Agreement.

Policies and Procedures adopted for the induction and training of Trustees

New Governors are provided with an induction process, which includes the following information:

- Terms of Reference.
- Code of Conduct for the Board of Trustees.
- Pinewood Governor School Visit Policy.
- Pinewood Governor Visit Form Procedures.
- Job Descriptions of Governors.
- Working with SEN Governor.
- The Role of the SEN Governor.
- Safeguarding & Child Protection Governor.
- Governor contact details.

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

New Governors are also provided with an Induction folder, which includes:

- Head Teacher Welcome Letter (Induction Folder)
- Code of Conduct for the Governing Board (Induction Folder)
- Pinewood Governor Framework (Governance Folder)
- Pinewood Governor - Roles & Responsibilities (Governance Folder)
- Governor Contact Details (Governance Folder)
- Governor Job Description (Governance/Job Descriptions Folder)
- Governor Visits Procedure (Governor Visits Folder)
- FGB, L&D & Resources Committee ToRs (Governance Folder)
- Minutes of most recent FGB, L&D & Resources Meetings (Committees Folder)
- Most Recent Ofsted Report (Ofsted website)
- School Development Plan (School Development Plan - SDP Folder)
- Key Reading for Governors (Induction Folder)
- Governor Workload Commitment (Induction Folder)
- Pinewood Staff Handbook (Miscellaneous Folder)
- Other key school information, including annual financial statement (school website)

Initial Meetings & Training

- Welcome from Chair or Vice-Chair of Governors
- Welcome from Head Teacher
- Site tour by one of Deputy Head Teachers
- Meet with "Training" linked governor (See roles and respys) to:
- Schedule HfL or Balance "Induction Training"
- Schedule HfL or Balance "Safeguarding" Training

System Access

- Governor folder in Google Drive
- School e-mail distribution lists

Pinewood School are members of Balance Education Training Network for Governing Bodies, and also The Herts Governors Association, and all Governors are encouraged to attend training courses offered by both.

Organisational Structure

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

The Board of Trustees, which meets on at least 6 occasions per year, is responsible for the strategic direction of the Academy. It 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, agree the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day-to-day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

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FOR THE YEAR ENDED 31 AUGUST 2020

Connected Organisations and Related Parties

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and aim of the Charitable Company is the operation of Pinewood School Academy Trust to provide free education and care for pupils of different abilities between the ages of 11 and 16.

Strategies and Activities

Our School vision is that every child at Pinewood School has a love of learning that enables them to fulfil their potential to enjoy a meaningful and happy future in which they make a positive contribution. We want everyone to take pride in the care of our School environment and feel proud to be part of our School.

During the year the School has worked towards achieving our vision 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 organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Academy's business in accordance with the highest standards of integrity.

At Pinewood School Academy Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School 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

No pupils of the last three years have been NEET (Not in Education, Employment or Training) on leaving the School. Pupils leaving Pinewood attend a number of local colleges including Hertford Regional College, Oaklands College and North Herts College.

The School was inspected by Ofsted in May 2017 and September 2019 and was judged to Require Improvement. However, good progress was noted in September 2019 and the School is moving in an upward trajectory.

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

Key Performance Indicators

The Governors receive regular information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As a special school we receive £10,000 per pupil from the ESFA regardless of the actual number of pupils on roll, and a further SEN top-up payment of £5,113 (as at 1/4/20) per actual pupil on roll. SEN funding was based on 139 Hertfordshire pupils and 25 out of county pupils.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Despite a deficit budget forecast for 2019/20, the Academy has finished the year with a positive surplus. 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 have 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 General Annual Grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2019/20 the Academy received £1,688,204 of GAG and other recurrent funding. 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 Academy spent a high proportion of its restricted funds and is carrying forward a surplus of £552,193 from its unrestricted funds and £7,301,871 on its restricted funds.

Reserves policy

Reserves levels (carry forwards): – the amounts carried forward can appear large, but the reasons are due to ensuring our strategic vision can be met in accordance with realistic, measureable and achievable aspirations to maintain a high quality educational experience for all pupils. We are obliged to work to a 5-year budget projection and must ensure that reserve levels are maintained.

The following explanation is given within the Reserves policy:

'It is the aim of the Academy to apply their strategic vision in accordance with a realistic, measureable and achievable aspiration for reserves levels being maintained. We wish to show a level of prudence and good financial planning to cover unexpected and unplanned expenditure so that the Academy's primary objective is preserved in the event of unforeseen circumstances, whilst continuing to use recurrent funds for the learners provided in the year on the learners in that year. This is particularly important as there is no additional projected increase in funding but increasing costs, such as staff pay awards and inflationary cost increases in the foreseeable future. The reserves policy is reviewed on an annual basis.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,685,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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TRUSTEES' REPORT (CONTINUED)
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Investment policy

The Governors last approved its Investment Policy in July 2019.

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

- Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Governors do not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow. It is the Resources Committee's strategy to ensure that we budget to be year-end positive for the first three years hence, even though longer terms 5-year financial plans are produced.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Governors by the Resources Committee.

Risks have been analysed and reviewed this year as a direct result of the external reviews conducted this year.

The principal risks facing the Academy are outlined below; those facing the School at an operational level are addressed by its systems and by internal financial and other controls.

The Governors report that the Academy'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.

At Pinewood 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 this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Directors assess the other principal risks and uncertainties facing the Academy as follows:

- 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 Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors 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 Governors, ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Governors 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 so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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FOR THE YEAR ENDED 31 AUGUST 2020

- Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy continues to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

COVID 19

The School and Governing Body took immediate steps to manage the response to COVID-19. Governors implemented new ways of working which included online Governors meetings via Google meet. Priorities were identified as safeguarding, ensuring students had access to IT equipment to participate in online learning, and mental/physical health and wellbeing.

The School remained open for vulnerable students and children of key workers, including throughout the bank holidays and the Easter and half term holidays.

PLANS FOR FUTURE PERIODS

- The School will continue to provide a cross-curricula, single teacher based classroom model for KS3 and in targeted areas of KS4. The remainder of KS4 pupils will follow the more traditional secondary school educational model.
- The School will build on and improve the IT strategies introduced from March – June 2020 as part of the COVID-19 response to facilitate online learning. This will include further training, and investment in IT equipment for student use.
- The School places sharp focus on ensuring students are given every support to catch up on learning affected due to lockdown.
- The School has a long term aim to complement the local offer in respect of post 16 provision for students with EHC Plans.
- The School will provide outreach work to support local mainstream partners with students performing at significantly lower levels than previously.
- The School hopes to develop and fully utilise all areas of the existing school buildings to ensure it can offer maximum provision for students. Staffing levels would be expected to increase in line with any increase in pupil numbers.

The School is committed to promoting and protecting emotional wellbeing and mental health and this was a key priority in our 2019/20 School Improvement Plan. During 2019/20, the School worked with Optimus Education to achieve the Wellbeing Award for Schools, which was successfully awarded in September 2020.

We have a clear vision and strategy to continue this work going forward, and this is communicated to all students and staff.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None.

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

PROVISION OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditors are unaware; and
- the Trustees have taken all the 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 Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

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 Cregan
Chair of Trustees

PINEWOOD SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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 Headteacher, 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 Pinewood School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
D McGachen, Head Teacher	7	7
R Cregan, Chair of Trustees	7	7
W Eveleigh, Vice Chair	6	7
G Peck	6	7
N Divall	0	0
B Hutton	5	6
L Alfieri	4	7
P Dunne, Chair of resources	7	7
J Stephenson	1	2
S Karthick Madabushi	1	1

There have been some changes to the Governing body during the year. Naomi Divall resigned in Sept 2019 and Gillian Peck reached the end of her term in July 2020. Julie Stephenson joined the Governing body in February 2020 and Sai Karthick Madabushi joined in June 2020.

The main challenges faced by the board this year were addressing the outcomes of the September 2019 OFSTED inspection and the impact of Covid 19.

Following the September 2019 OFSTED inspection, the school was judged to Require Improvement. However, good progress was noted from the previous inspection in May 2017 and the School is moving in an upward trajectory.

The School and Governing body took immediate steps to manage the response to Covid 19. Governors and senior leaders implemented new ways of working which included online learning. Governors meetings were held via Google meet.

The following reviews were conducted this year:

- Annual skills audit of Senior Leaders and the Governing body to identify skills gaps and implement training where required.
- An annual review of School policies to ensure relevance and accuracy
- A review of the risk register
- A standards check was undertaken by our Hertfordshire Improvement Partner.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A self-evaluation was planned for the current academic year, however, due to COVID 19 this did not take place. This will be implemented at the earliest opportunity in the coming year.

Ofsted will not be performing official inspections until 2021 but will review Covid procedures in School in 2020.

The Finance and General Purposes Committee at Pinewood School is the Resources Committee . This covers Finance/Audit, Personnel, Premises and Health and Safety.

The Committee is there to make or approve decisions relating to the above and ensure School policies are up to date and adhered to. It also receives the budget monitoring reports, and challenges and questions as required.

There have been no changes to the composition of the Resources Committee in the last year. The financial impact of Covid 19 has been reviewed and discussed at each meeting, with any required actions discussed and implemented.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Cregan	5	5
D McGachen	5	5
A Peacock	4	5
P Dunne	5	5
B Hutton	5	5
L Alfieri	2	5

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy'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:

- Raising educational outcomes through the use of targeted intervention.
- Delivering the curriculum in a different way, i.e. college courses, to reduce costs.
- Implementing new online learning systems to maintain education during the Covid 19 lockdown period.

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 in Pinewood School Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control (continued)

Internal checks are completed by the following people:

- The Head Teacher.
- The Senior Leadership Team.
- Price Bailey - Independent chartered accountants & business advisers
- Paul Dunne - Chair of The Resources Committee

Details of the checks carried out:

- The Head Teacher is the Accounting Officer and has overall responsibility for the school.
- The Senior Leadership team undertake day to day internal checks on processes and procedures.
- Price Bailey conduct an internal audit from a financial perspective.
- Paul Dunne (Chair - Recourses committee) undertakes the review of income and expenditure against budget.

How often the checks take place:

- i) Management accounts and month end checks are reviewed by the Head Teacher monthly.
- ii) The Senior Leadership team undertake day to day internal checks on processes and procedures – checked weekly at SLT meetings.
- iii) Price Bailey conduct an annual internal audit from a financial perspective.
- iv) Paul Dunne (Chair - Recourses committee) reviews income and expenditure against budget monthly and prior to Resources Committee meetings.
- v) All Governors have access to monthly management accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy'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 Academy'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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has decided to employ Price Bailey as Internal Auditor.

As per the revised FRC Ethical Standards, a firm providing external audit services shall not also provide internal audit services. Price Bailey has continued to provide internal audit services to the trust subject to transitional arrangements allowing existing engagements to conclude.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Going forward, Herts for Learning have been engaged as Internal Auditor for the year 2020-2021 in order to comply with the new Ethical Standards.

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

- a review of Key Financial Controls

In addition to the Internal Auditor, Paul Dunne (Chair - Recourses committee) undertakes the review of income and expenditure against budget.

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The schedule of works have been delivered as planned and any recommendations are being implemented.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the Internal Auditor;
- the work of the external Auditors;
- the work of the executive managers within the Academy 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 and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

R Cregan
Chair of Trustees

D McGachen
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Pinewood School Academy 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 Academy, under the funding agreement in place between the Academy 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 Academy, or material non-compliance with the terms and conditions of funding under the Academy'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.

D McGachen
Accounting Officer
14 December 2020

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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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 the Board of Trustees and signed on its behalf by:

R Cregan

Date: 9 December 2020

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PINEWOOD SCHOOL ACADEMY TRUST**

Opinion

We have audited the financial statements of Pinewood School Academy Trust (the 'Academy') 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 Academy'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 Academy 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 Academy'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.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PINEWOOD SCHOOL ACADEMY TRUST (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 Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Academy 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.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PINEWOOD SCHOOL ACADEMY TRUST (CONTINUED)**

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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Mr 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

14 December 2020

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PINEWOOD SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 October 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 Pinewood School Academy Trust 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 Pinewood School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pinewood School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pinewood School Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Pinewood School Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Pinewood School Academy Trust's funding agreement with the Secretary of State for Education dated 21 August 2014 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 Academy's income and expenditure.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw our conclusion 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 Academy 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

14 December 2020

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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	-	20,348	9,468	29,816	79,428
Charitable activities	4	22,028	2,778,637	-	2,800,665	2,441,401
Other trading activities	5	81,564	-	-	81,564	98,804
Investments	6	2,039	-	-	2,039	341
Total income		105,631	2,798,985	9,468	2,914,084	2,619,974
Expenditure on:						
Charitable activities	7	79,218	3,012,985	215,794	3,307,997	2,999,102
Total expenditure		79,218	3,012,985	215,794	3,307,997	2,999,102
Net movement in funds before other recognised gains/(losses)		26,413	(214,000)	(206,326)	(393,913)	(379,128)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	105,000	-	105,000	(482,000)
Net movement in funds		26,413	(109,000)	(206,326)	(288,913)	(861,128)
Reconciliation of funds:						
Total funds brought forward		525,780	(1,576,000)	9,193,197	8,142,977	9,004,105
Net movement in funds		26,413	(109,000)	(206,326)	(288,913)	(861,128)
Total funds carried forward		552,193	(1,685,000)	8,986,871	7,854,064	8,142,977

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

The notes on pages 23 to 45 form part of these financial statements.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
Company Registration Number: 09141878

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	8,968,161	9,179,197
Current assets			
Debtors	14	174,662	143,680
Cash at bank and in hand		514,279	530,914
		688,941	674,594
Creditors: amounts falling due within one year	15	(118,038)	(134,814)
Net current assets		570,903	539,780
Total assets less current liabilities		9,539,064	9,718,977
Net assets excluding pension liability		9,539,064	9,718,977
Defined benefit pension scheme liability	22	(1,685,000)	(1,576,000)
Total net assets		7,854,064	8,142,977
 Funds of the Academy			
Restricted funds:			
Restricted fixed asset funds	16	8,986,871	9,193,197
Restricted funds excluding pension liability	16	8,986,871	9,193,197
Pension reserve	16	(1,685,000)	(1,576,000)
Total restricted funds	16	7,301,871	7,617,197
Unrestricted income funds	16	552,193	525,780
Total funds		7,854,064	8,142,977

The financial statements on pages 20 to 45 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

R Cregan
Chair of Trustees

Date: 9 December 2020

The notes on pages 23 to 45 form part of these financial statements.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	18	(13,916)	(81,248)
Cash flows from investing activities	19	(2,719)	(12,951)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(16,635)	(94,199)
Cash and cash equivalents at the beginning of the year		530,914	625,113
Cash and cash equivalents at the end of the year	20, 21	<hr/> <u>514,279</u>	<hr/> <u>530,914</u>

The notes on pages 23 to 45 form part of these financial statements

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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 Academy, 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.

The functional and presentational currency is Pounds Sterling.

Pinewood School Academy Trust meets the definition of a public benefit entity under FRS102.

1.2 Company status

The Academy is a Company limited by guarantee. The Members of the Company 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.

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 Academy 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 Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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 Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Trust 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 Trust Funding Agreement with the Secretary of State for Education. This will ensure that the Trust 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 Trust were not able to continue as a going concern.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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.

1.5 Income

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

• **Grants**

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

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

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

1.8 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, as follows:

Freehold property	- 50 years
Furniture and fixtures	- 10 years
Computer equipment	- 3 years
Motor vehicles	- 5 years

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.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

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.

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 Academy 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 Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	20,348	-	20,348	51,938
Capital grants	-	9,468	9,468	27,490
Total 2020	20,348	9,468	29,816	79,428
Total 2019	51,938	27,490	79,428	

In 2019, income from donations was made entirely restricted.

In 2019, income from capital grant received was made entirely to restricted fixed asset funds.

4. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,606,285	1,606,285	1,623,088
Other DfE / EFSA grants	-	81,919	81,919	96,662
	-	1,688,204	1,688,204	1,719,750
Other Government grants				
Local Authority grants	-	1,079,953	1,079,953	690,861
	-	1,079,953	1,079,953	690,861
Exceptional Government funding				
Other Coronavirus funding	-	10,480	10,480	-
	-	10,480	10,480	-
Other funding				
Catering income	22,028	-	22,028	30,790
Total 2020	22,028	2,778,637	2,800,665	2,441,401
Total 2019	30,790	2,410,611	2,441,401	

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

The Academy Trust has been eligible to claim additional funding in the year from Government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional Government funding".

The funding received for coronavirus exceptional supports covers all £27,825 costs. These costs are included in notes 7 and 9 below as appropriate.

In 2019, income from DfE / ESFA grants was entirely restricted.

In 2019, income from other Government grants was entirely restricted.

In 2019, catering income was entirely unrestricted.

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	47,506	47,506	53,029
Sales of educational supplies	34,058	34,058	36,399
Other income	-	-	9,376
Total 2020	<u>81,564</u>	<u>81,564</u>	<u>98,804</u>
Total 2019	<u>98,804</u>	<u>98,804</u>	

In 2019, all income from other trading activities was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	2,039	2,039	341
Total 2019	<u>341</u>	<u>341</u>	

In 2019, all investment income was unrestricted.

PINEWOOD SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	2,293,050	-	176,957	2,470,007	2,152,568
Support costs	328,462	360,248	149,280	837,990	846,534
Total 2020	<u>2,621,512</u>	<u>360,248</u>	<u>326,237</u>	<u>3,307,997</u>	<u>2,999,102</u>
Total 2019	<u>2,277,541</u>	<u>367,845</u>	<u>353,716</u>	<u>2,999,102</u>	

In 2020, of the total expenditure, £79,218 (2019: £129,715) was made from unrestricted funds, £3,012,985 (2019: £2,616,609) was made from restricted funds, and £215,794 (2019: £252,778) was made from restricted fixed asset funds.

8. Charitable activities

	2020 £	2019 £
Direct costs	2,470,007	2,152,568
Support costs	837,990	846,534
	<u>3,307,997</u>	<u>2,999,102</u>

	2020 £	2019 £
Analysis of support costs		
Support staff costs	328,462	314,293
Depreciation	215,794	239,288
Premises costs	144,454	126,998
Other support costs	123,702	148,086
Governance costs	19,635	16,311
Legal costs	5,943	1,558
	<u>837,990</u>	<u>846,534</u>

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	6,064	1,730
Depreciation of tangible fixed assets	215,794	239,288
Fees paid to Auditors for:		
- audit	4,700	4,565
- other services	4,925	6,436
	4,625	11,507

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,823,013	1,647,859
Social security costs	162,070	139,708
Pension costs	604,461	421,743
	2,589,544	2,209,310
Agency staff costs	30,047	68,231
Staff restructuring costs	1,921	-
	2,621,512	2,277,541

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	1,921	-
	1,921	-

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

One staff member received payment of £1,921 as compensation for early termination of employment. The total payment relates to Post-Employment Notice pay.

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10. Staff (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	26	25
Administration and support	55	49
Management	4	2
	<u>85</u>	<u>76</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	20	18
Administration and support	35	37
Management	4	2
	<u>59</u>	<u>57</u>

d. 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	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy 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 Academy was £378,057 (2019 £325,194).

Included in the above are employer pension contributions of £66,325 (2019: £44,320) and employer national insurance contributions of £32,527 (2019: 29,069).

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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
D McGachen, Accounting Officer	Remuneration	80,000 -	65,000 -
		85,000	70,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000
L Adams	Remuneration	35,000 -	30,000 -
		40,000	35,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2020, expenses totalling £22 were reimbursed or paid directly to one Trustee (2019: £270).

12. Trustees' and Officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	9,891,217	263,010	204,964	115,000	10,474,191
Additions	-	-	4,758	-	4,758
Disposals	-	-	(1,600)	-	(1,600)
At 31 August 2020	<u>9,891,217</u>	<u>263,010</u>	<u>208,122</u>	<u>115,000</u>	<u>10,477,349</u>
Depreciation					
At 1 September 2019	869,969	127,571	187,454	110,000	1,294,994
Charge for the year	174,017	35,777	3,000	3,000	215,794
On disposals	-	-	(1,600)	-	(1,600)
At 31 August 2020	<u>1,043,986</u>	<u>163,348</u>	<u>188,854</u>	<u>113,000</u>	<u>1,509,188</u>
Net book value					
At 31 August 2020	<u><u>8,847,231</u></u>	<u><u>99,662</u></u>	<u><u>19,268</u></u>	<u><u>2,000</u></u>	<u><u>8,968,161</u></u>
At 31 August 2019	<u><u>9,021,248</u></u>	<u><u>135,439</u></u>	<u><u>17,510</u></u>	<u><u>5,000</u></u>	<u><u>9,179,197</u></u>

Included in the value of freehold property is land valued at £1,186,000 (2019: £1,186,000) which is not depreciated.

14. Debtors

	2020 £	2019 £
Trade debtors	645	573
Other debtors	-	268
Prepayments and accrued income	97,006	94,370
VAT repayable	77,011	48,469
	<u>174,662</u>	<u>143,680</u>

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15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,950	10,142
Other taxation and social security	37,384	35,548
Other creditors	47,571	40,045
Accruals and deferred income	30,133	49,079
	118,038	134,814
	118,038	134,814
	2020 £	2019 £
Deferred income at 1 September 2019	2,428	3,182
Resources deferred during the year	2,966	2,428
Amounts released from previous periods	(2,428)	(3,182)
	2,966	2,428
Deferred income at 31 August 2020	2,966	2,428

Deferred income in the year consists of School activity income and rental income paid in advance.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	525,780	105,631	(79,218)	-	-	552,193
Restricted general funds						
General Annual Grant (GAG)	-	1,606,285	(1,606,285)	-	-	-
Other Government grants	-	1,079,953	(1,079,953)	-	-	-
Other DfE / ESFA grants	-	92,399	(92,399)	-	-	-
Educational visits	-	6,071	(6,071)	-	-	-
Restricted donations	-	14,277	(14,277)	-	-	-
Pension reserve	(1,576,000)	-	(214,000)	-	105,000	(1,685,000)
	<u>(1,576,000)</u>	<u>2,798,985</u>	<u>(3,012,985)</u>	<u>-</u>	<u>105,000</u>	<u>(1,685,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	9,179,197	-	(215,794)	4,758	-	8,968,161
Devolved Capital Formula (DFC)	14,000	9,468	-	(4,758)	-	18,710
	<u>9,193,197</u>	<u>9,468</u>	<u>(215,794)</u>	<u>-</u>	<u>-</u>	<u>8,986,871</u>
Total Restricted funds	<u>7,617,197</u>	<u>2,808,453</u>	<u>(3,228,779)</u>	<u>-</u>	<u>105,000</u>	<u>7,301,871</u>
Total funds	<u><u>8,142,977</u></u>	<u><u>2,914,084</u></u>	<u><u>(3,307,997)</u></u>	<u><u>-</u></u>	<u><u>105,000</u></u>	<u><u>7,854,064</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

General funds

This represents income received that does not have any restrictions and may be used towards meeting any of the charitable objectives of the Academy.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. Any carry forward relates to various departments in the School with unspent funds.

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

Other DfE / ESFA grants

This represents funding received from the DfE and ESFA which is restricted in nature.

Other Government grants

This represents other grants received from national and local Government bodies received for specific purposes.

Educational visits

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 visits.

Restricted donations

This fund represents contributions made by parents for uniform and music lessons. The Trust has to use the income received for the sole purpose of running clubs and running music lessons.

Pension reserve

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

Restricted fixed asset fund

This represents the value of fixed assets held in line with the charitable objectives of the Academy. The transfer between funds represents additions purchased through GAG funding.

Devolved Capital Formula (DFC)

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

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	525,560	129,935	(129,715)	-	-	525,780
	<u>525,560</u>	<u>129,935</u>	<u>(129,715)</u>	<u>-</u>	<u>-</u>	<u>525,780</u>
Restricted general funds						
General Annual Grant (GAG)	42,832	1,623,088	(1,652,628)	(13,292)	-	-
Other Government grants	-	690,861	(690,861)	-	-	-
Other DfE / ESFA grants	-	96,662	(96,662)	-	-	-
Educational visits	2,520	12,429	(14,949)	-	-	-
Restricted donations	-	39,509	(39,509)	-	-	-
Pension reserve	(972,000)	-	(122,000)	-	(482,000)	(1,576,000)
	<u>(926,648)</u>	<u>2,462,549</u>	<u>(2,616,609)</u>	<u>(13,292)</u>	<u>(482,000)</u>	<u>(1,576,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	9,405,193	-	(239,288)	13,292	-	9,179,197
Devolved Capital Formula (DFC)	-	27,490	(13,490)	-	-	14,000
	<u>9,405,193</u>	<u>27,490</u>	<u>(252,778)</u>	<u>13,292</u>	<u>-</u>	<u>9,193,197</u>
Total Restricted funds	<u>8,478,545</u>	<u>2,490,039</u>	<u>(2,869,387)</u>	<u>-</u>	<u>(482,000)</u>	<u>7,617,197</u>
Total funds	<u><u>9,004,105</u></u>	<u><u>2,619,974</u></u>	<u><u>(2,999,102)</u></u>	<u><u>-</u></u>	<u><u>(482,000)</u></u>	<u><u>8,142,977</u></u>

PINEWOOD SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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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	-	-	8,968,161	8,968,161
Current assets	552,193	118,038	18,710	688,941
Creditors due within one year	-	(118,038)	-	(118,038)
Provisions for liabilities and charges	-	(1,685,000)	-	(1,685,000)
Total	552,193	(1,685,000)	8,986,871	7,854,064

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	-	-	9,179,197	9,179,197
Current assets	525,780	134,814	14,000	674,594
Creditors due within one year	-	(134,814)	-	(134,814)
Provisions for liabilities and charges	-	(1,576,000)	-	(1,576,000)
Total	525,780	(1,576,000)	9,193,197	8,142,977

PINEWOOD SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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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)	(393,913)	(379,128)
Adjustments for:		
Depreciation	214,194	239,288
Interest receivable	(2,039)	(341)
Increase in debtors	(30,982)	(86,102)
(Decrease)/increase in creditors	(16,776)	23,035
Disposal of fixed assets	1,600	-
Pension adjustment	214,000	122,000
Net cash used in operating activities	(13,916)	(81,248)

19. Cash flows from investing activities

	2020 £	2019 £
Interest receivable	2,039	341
Purchase of tangible fixed assets	(4,758)	(13,292)
Net cash used in investing activities	(2,719)	(12,951)

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	514,279	530,914
Total cash and cash equivalents	514,279	530,914

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

21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	530,914	(16,635)	514,279
	530,914	(16,635)	514,279
	530,914	(16,635)	514,279

22. Pension commitments

The Academy'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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £45,817 were payable to the schemes at 31 August 2020 (2019 - £38,487) 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.

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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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 2019. 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 £241,399 (2019 - £148,867).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £224,000 (2019 - £220,000), of which employer's contributions totalled £181,000 (2019 - £179,000) and employees' contributions totalled £ 43,000 (2019 - £41,000). The agreed contribution rates for future years are 23 per cent for employers and 5.5 - 6.5 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.

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22. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.6	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50	50

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	21.9	21.5
Females	24.1	23.7
Retiring in 20 years		
Males	22.8	22.3
Females	25.5	25

As at the 31st August 2020 the Academy has a pension liability of £1,685,000 (2019 - £1,576,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(92,000)	(82,000)
Discount rate -0.1%	92,000	82,000
Mortality assumption - 1 year increase	8,000	25,000
Mortality assumption - 1 year decrease	(8,000)	(25,000)
CPI rate +0.1%	92,000	69,000
CPI rate -0.1%	(92,000)	(69,000)

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22. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	1,127,000	903,000
Corporate bonds	745,000	718,000
Property	192,000	147,000
Cash and other liquid assets	64,000	74,000
Total market value of assets	2,128,000	1,842,000

The actual return on scheme assets was £104,000 (2019 - £138,000).

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

	2020 £	2019 £
Current service cost	(365,000)	(270,000)
Past service cost	-	(3,000)
Interest income	35,000	28,000
Interest cost	(65,000)	(73,000)
Total amount recognised in the Statement of Financial Activities	(395,000)	(318,000)

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

	2020 £	2019 £
At 1 September	3,418,000	2,482,000
Interest cost	65,000	73,000
Employee contributions	43,000	41,000
Actuarial (gains)/losses	(36,000)	575,000
Benefits paid	(42,000)	(26,000)
Past service costs	-	3,000
Current service cost	365,000	270,000
At 31 August	3,813,000	3,418,000

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22. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	1,842,000	1,510,000
Interest income	35,000	45,000
Actuarial gains	69,000	93,000
Employer contributions	181,000	179,000
Employee contributions	43,000	41,000
Benefits paid	(42,000)	(26,000)
At 31 August	<u>2,128,000</u>	<u>1,842,000</u>

23. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	7,523	2,685
Later than 1 year and not later than 5 years	1,947	1,221
	<u>9,470</u>	<u>3,906</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.

25. Related party transactions

Owing to the nature of the Academy 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 Trustee 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 Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses disclosed in note 11.