

CHILDREN FIRST ACADEMY TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

CHILDREN FIRST ACADEMY TRUST

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CHILDREN FIRST ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Christine Bachelor Elpida Theophanous Renee Flourentzou Ruth Moore Ivor Olley
Trustees	Ivor Olley Anthony Gilling Gary Kyriacos Christofi Jenny Tosh, Chair of Trustees Marcia Sinclair Neil Yeomans Rosemary Stanley-McKenzie Winifred Maria Greer Zahra Amina Graham
Company registered number	11834165
Company name	Children First Academy Trust
Principal and registered office	Wilbury Primary School Wilbury Way Edmonton London N18 1DE
Senior Management Team	Kate Turnpenney, Chief Executive Officer Anu Chopra, Chief Finance and Operating Officer Claire O'Brien, Finance Manager
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

CHILDREN FIRST ACADEMY TRUST

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Children First Academy Trust ("the Charitable Company" or "the Trust") for the year to 31 August 2020. The comparative period ran for 5 months from the conversion date of 1 April 2019 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 5 primary schools serving catchment areas in Edmonton, North London. The Schools have a combined pupil capacity of 2,970 full time places and 360 part-time pre-school places. There was an overall roll of 3,225 in the census on 1st October 2020.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents. The Trustees of Children First Academy Trust are also the Directors of the Charitable Company for the purposes of company law. Within this Report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Schools:

- Brettenham Primary School
- Fleecefield Primary School
- Galliard Primary School
- Raynham Primary School
- Wilbury Primary School

The operation of The Trust's Schools and employment of staff are the responsibility of the Trustees. The Trust retains control of School budgets and finances, and monitors these through its Resources, Risk and Audit Committee (RR&A). Each School has a Local Governing Board (LGB) which supports the Trust's RR&A in the monitoring of their School within agreed budgets. Within this Report, the term Trustee refers to a member of the Board of Trustees (the Board) and the term Governor to a member of an LGB. LGBs are sub-committees of the Board of Trustees.

Details of the Trustees who served during the year and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' and Officers' Indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles of Association and Funding Agreement.

Trustees are appointed for a fixed term of four years. The Chief Executive Officer (CEO) attends all meetings of the Trust Board and attends all the committee meetings except LGB meetings.

The Articles of Association make provision for an unlimited number of Trustees and the Members and Trustees currently consider nine to be an appropriate number, plus the CEO. An annual skills audit informs the Board of any gaps in the required range of skills available to the Board which are filled either by training or appointment of a Trustee holding those skills.

CHILDREN FIRST ACADEMY TRUST

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

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides internal training led by Trust and School staff and also links with a number of local training providers.

New Trustees and Governors are required to attend a training programme. The induction programme involves a tour of the relevant School, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as Trustees and Governors with particular emphasis on the committee work that they will undertake. There have been no new Trustees during the year and no new LGB members since the onset of COVID-19, therefore, these processes have not been required during this time. Links have been maintained between Trustees and LGBs throughout the closure and re-opening periods through the Area Governance Committee meetings. These are meetings of the Chair and CEO with the Chairs of all LGBs, which have taken place virtually and training opportunities have been shared.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees meets on at least 4 occasions per year and its sub-committees, the RR&A committee and the Education and Standards committee at least three times per year and the Remuneration Committee at least twice per year. The Board of Trustees is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure, senior staff appointments and executive pay.

The Governors within their LGBs, which meet on at least six occasions each year, are responsible for implementing strategic policy and monitoring performance against budget spend. The School Senior Leadership Teams (SLTs) control the Schools at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their School, in particular organising staff, resources and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below senior leadership level (i.e. Deputy Head and above), following vetting and safeguarding recruitment processes.

The CEO is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust supported by the Chief Finance and Operations Officer (CFOO). The CEO manages the Trust on a daily basis supported by a Headteachers' Board comprising the Headteachers of each School, who look across the Trust and align local SLT and LGB activity to the strategic aims of the Trust as a whole. The Headteachers' Board meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees, as required, for approval.

Arrangements for setting pay and remuneration of key management personnel

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

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

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

CHILDREN FIRST ACADEMY TRUST

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

Trade Union Facility Time

During the year 2019/20 the Trust has bought into a pooled service managed by the Local Authority that shares the costs of teaching and non-teaching Trade Union 'Facilities Time'. This service provides an effective route for statutory and collective consultation and bargaining, a framework and structure for non-maintained schools to manage industrial relations and access to branch officials from recognised unions. The total cost of this service during the period was £10,781.

In addition, one employee of the Trust, on a 100% full time equivalent contract, acted as a union official. The employee spent 5 hours (equating to less than 20% of their time) on union facility. The Trust received £4,930 in recompense for the period 2019/20.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees and LGBs being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee or Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust did not cooperate with any related party during the academic year in pursuit of its charitable activities and does not have a formal sponsor.

Engagement with Employees (Including disabled persons)

The Trustees recognise that our employees are fundamental and core to our business and delivery of high quality education. Our success depends on attracting, retaining and motivating employees. The Trustees factor the implications of decisions on employees and the wider workforce, where relevant and feasible. Where appropriate, the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trades unions. For all key staffing related policies the Trust works with the Local Authority, and it is they who carry out the consultation on behalf of the Trust.

The Trust provides information to employees generally by way of email, memoranda and staff meetings. Information is channelled via leadership meetings and staff briefings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Schools' websites and student progress and attainment statistics, when they are made available.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to. To ensure service continuity during and after the current COVID-19 pandemic outbreak the Trust has followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment of their suppliers.

The Trustees consider pupils and parents to be their "customers". Whilst pupils encounter engagement on a daily basis, engagement with parents is carried out through regular newsletters and face to face meetings.

CHILDREN FIRST ACADEMY TRUST

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

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of a family of Schools to provide free education and care for pupils of different abilities between the ages of two and eleven. Specifically, to enable each child to thrive and achieve together, through our values of Resilience, Commitment and Integrity.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims through following its three key strategic objectives:

To provide outstanding education for the children within our Schools

We believe that our children deserve the best education, regardless of their background, their ability or the economic circumstances. We believe that, through collaboration and maintaining best practice across each School, we will develop a shared understanding of how to raise standards and outcomes across the Trust.

To provide wide-ranging opportunities and experiences for children from Edmonton which develop skills for life

We believe that all children should have the same high quality opportunities in life, both in education and in wider enrichment. With each School at the heart of its community, the Trust will actively seek out experiences for the children, which will enable them to grow in skills, understanding of the world and personal ambition.

To develop a sustainable, well-led organisation with a culture of 'Children First'

We will build on the culture of openness, transparency and trust, which already exists within the Headteachers' Board, to drive the direction of the Trust. We will ensure that the right people with the right skillsets and ethos lead the organisation into the future. We are committed to developing high quality teachers and support staff as well as identifying future leaders who will lead with integrity and creativity within the Schools and across the Trust

Our success in fulfilling our aims can be measured by:

- The successful activity of the Headteachers' Board in creating a culture where shared practice across the Trust is encouraged;
- The centralisation of the financial function with the bringing together of the Finance Team to ensure best value and consistency across the Trust;
- Shared training and development of staff including newly qualified teachers (NQTs), middle leaders and senior leader teams;
- The development of a strong governance structure with a relevant skillset and shared commitment to the Trust;
- The levels of reserves have remained healthy and will be monitored going forward to ensure that they are used effectively for the good of the children;
- The high quality of provision during partial closure of the Schools as a result of the COVID-19 pandemic. The Schools were open throughout to key workers and vulnerable children. Provision was available to key worker children during the Easter holidays including bank holidays and an additional provision was set up for children of NHS workers at North Middlesex Hospital, which is very nearby, regardless of whether they attended a Trust School or not. Home learning was provided throughout the summer term for all children and contact with parents remained strong. On 1st June 2020 all Schools opened to more children as directed by the Department for Education.

CHILDREN FIRST ACADEMY TRUST

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

Public Benefit

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

Strategic Report

Achievements and Performance

The Trust has continued its mission into its first full year of operation, to ensure that students made significant progress throughout the year; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their School.

Specific achievements were as follows:

- Although all testing and data collection was cancelled due to the pandemic, Schools had predicted good outcomes for the summer. This was particularly so for the School currently graded as 'Requires Improvement' and it was disappointing that they were not able to confirm this through the Key Stage Two (KS2) SATs results this year;
- Improvement in Early Years teaching and learning across the Trust;
- Improvement in the teaching and assessment of phonics across the Trust;
- The development of reading for pleasure across the Trust as a key driver for the year;
- The focus on language and vocabulary development through shared training and joint planning;
- The development of a shared approach to the curriculum across all schools through senior leaders working together across the Trust.

Key Performance Indicators (KPI)

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2019/20 were 3,369 (including part time) and budgeted income was £19.8m. The total number of pupils fluctuated during the year due to high mobility but was broadly within acceptable levels. In the 2020, the numbers are reduced in the main due to reduced Nursery numbers and the reduction of a bulge class at one School.

A further KPI is staffing costs as a percentage of total recurring income. For 2019/20 this was 81.3% against set parameters of 78-83%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures which are all approved by them.

The RR&A committee also monitor the ratio of premises costs to General Annual Grant (GAG) income, the ratio of capitation spend on staffing, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

CHILDREN FIRST ACADEMY TRUST

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

Non-Financial

No School in the Trust had an OFSTED inspection during the year 2019/20. One School was graded Requires Improvement in 2018 and has not yet been re-inspected. However, several external quality assurance visits have confirmed significant improvements in the quality of teaching and learning across the School this year and this builds on previous improvement in outcomes in 2018/19. Therefore, the Trust is confident that this has continued, despite no national assessments this year due to the pandemic.

Attendance data ranges significantly across the Schools. Where the attendance is lowest, it is an OFSTED target for improvement, and the attendance percentage is gradually improving. Clearly the year was an exceptional one and attendance data was not typical.

Several Schools are showing reduced numbers in their Nurseries and this is a Local Authority-wide issue. Some Schools are developing two-year-old provision and offering 30 hours provision to ensure the spaces are taken up.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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 Schools during the period and the changes in practices introduced from the 2020 Autumn term.

Promoting the Success of the Charitable Company

The Trustees have an obligation to act in a way most likely to promote the success of the Charitable Company. Details regarding engagement with employees, suppliers, parents, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the reserves policy below as Trustees balance the needs of current and future cohorts.

The Trustees have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal Risks and Uncertainties later within this Strategic Report.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received £20,425,914 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £20,640,229 including capital projects. The Trust brought forward from 2018/19, no restricted funds and £1,358,266 of unrestricted funds. The carry forward for 2019/20 is £434,659 of restricted funds and £1,484,241 of unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £9,188,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

CHILDREN FIRST ACADEMY TRUST

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

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Chief Finance and Operations Officer. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,484,241. The Trust holds £550,000 for in year contingencies plus an amount to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £1,918,900.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £3,446,314. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee CFOO reports and plan to hold a minimum of £1,200,000 to cover short term cash flow requirements.

Investment Policy

An Investment Policy was approved by the Board of Trustees 11th December 2019.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust works with the LGBs to maintain a Risk Register identifying the major risks to which the Trust and the individual Schools are exposed, and identifying actions and procedures to mitigate those risks. A formal review of the Risk Register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Resources, Risk and Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

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

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

CHILDREN FIRST ACADEMY TRUST

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

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

- The Trust has considerable reliance on continued Government funding through the ESFA and whilst there has been a small injection of additional funding this will not be enough to counteract the rise of the minimum wage, teachers' pensions contribution rise and any other additional costs that the Government may choose to introduce;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Pupil numbers – the risks here are twofold:
Reputational: the continuing success of the Schools is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student progress and outcomes are closely monitored and reviewed
Drop in pupil numbers locally: this is a serious risk currently since pupil numbers across the Local Authority have reduced over the last few years and there is no sign of them increasing. At the same time, more pupil places have opened up which means supply is significantly higher than demand;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Schools is reliant on the quality of its staff and the Trustees monitor and review policies and procedures around recruitment and retention to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - the Trustees have appointed Price Bailey (2019/20) to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- COVID-19 – the disruption to the Schools during the 2019/20 academic year brought a reduction in external income and a number of additional costs, some of which were recoverable from Government. The Trust has, so far, recovered £9,137 from the Government. Autumn term 2020 opened with new restrictions around class sizes and social distancing among other things. The risk of a School having to close completely or close smaller bubbles, due to localised infections has been mitigated by extensive risk assessment planning and amended working practices; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small but valuable fundraising events during the year including non-uniform days and enterprise events. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events. The amounts raised were minimal (less than £1,000 per event) and monitored by the CFOO.

CHILDREN FIRST ACADEMY TRUST

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

Streamlined Energy and Carbon Reporting (SECR)

UK energy use and associated greenhouse gas emissions

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 5 Schools controlled during the reporting period.

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

This report was compiled independently by energy consultants Briar (Briar Consulting Engineers Limited). The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed to ensure the Streamlined Energy and Carbon Reporting ("SECR") requirements were met and exceeded where possible.

The energy data was collated using existing reporting mechanisms. These methodologies provided a near continuous record of natural gas and electricity use. Transport data related to minibuses and grey fleet has been collected from mileage and fuel purchase records.

The energy data was converted to carbon emissions using the 2020 UK Government GHG Conversion Factors for Company Reporting. The associated emissions are divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity, heating and cooling (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

Estimations

The electricity and natural gas energy use was compiled from invoices, with minimal pro-rating to match the reporting period.

Breakdown of energy consumption used to calculate emissions (kWh):	Year ended 31 August 2020
Natural gas	2,409,403
Electricity (grid)	597,638
Diesel	1,397
Employee owned vehicles where company purchases the fuel	527
Total gross energy consumed	3,008,965

Note: Figures may not sum to total due to rounding.

CHILDREN FIRST ACADEMY TRUST

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

Breakdown of emissions associated with the reported energy use (tCO ₂ e)	Year ended 31 August 2020
Scope 1	
Natural gas	443
Diesel	1
Total Scope 1	443
Scope 2	
Electricity (grid)	139
Total Scope 2	139
Scope 3	
Employee owned vehicles where company purchases the fuel	1
Total Scope 3	1
Total gross emissions	583

Note: Figures may not sum to total due to rounding.

Intensity Ratio

The chosen primary intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per pupil (based on the Autumn census), which is the recommended ratio for the sector.

Tonnes of CO ₂ e per pupil	Year ended 31 Aug 2020
Galliard Primary School	0.178
Raynham Primary School	0.238
Wilbury Primary School	0.178
Fleecefield Primary School	0.155
Brettenham Primary School	0.202
All schools and transport	0.192

Note: Figures may not sum to total due to rounding.

Energy efficiency action during current financial year

The management of resources and the need to embed sustainability is an important issue for the Trust and the following actions related to reducing energy use were implemented within the current reporting period.

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. From this date, the Schools were open to critical worker's children only, with a phased and partial reopening for certain year groups occurring in June.

A further result of health precautions has been the greater implementation of video conferencing for staff and board meetings, reducing the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Outside of the COVID-19 response, actions this year have been limited to the replacement of an older boiler plant with a modern condensing boiler at Brettenham Primary School and the instruction of consultants to undertake condition surveys of all of the Trust's buildings. These surveys have allowed the Trust to apply for grant funding to Salix's Public Sector Decarbonisation Scheme with a view to replacing windows to reduce thermal losses from buildings and replacing aged boiler plant with heat pumps. The works associated with this programme will be implemented next year and will have a marked effect on carbon emissions.

CHILDREN FIRST ACADEMY TRUST

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

Plans for Future Periods

The Trustees plans for the academic year 2020/21 revolve around ensuring that the Trust's vision and three strategic objectives as stated above are achieved. We do, at the same time, recognise that this year will be one like no other due to the pandemic and we need to ensure everything is in place to mitigate risk to the School community and provide education for all of our pupils whether at home or School, through effective blended learning.

Our key areas for focus are to:

- Create and build our School Improvement Team from within the Trust to improve standards across all Schools in the Trust;
- Ensure the objectives in each School Improvement Plan are implemented and effective as identified through regular monitoring and external quality assurance;
- Ensure standards within all Schools in terms of leadership and outcomes (including OFSTED if relevant) are good;
- Develop Continued Professional Development across the Trust including for Newly Qualified Teachers ensuring they buy into the Trust-wide vision;
- Provide some Trust-wide opportunities for pupils from across the Schools to come together to develop skills, aspiration and ambition;
- Continue to gain efficiencies through the five Schools operating and collaborating together, which will enable Schools to re-invest in their curriculum provision;
- Ensure that the Trust is compliant with the DfE and ESFA directives in terms of Governance and Finance;
- Refine policies at Trust level to ensure compliance and to bring policies in line across all Schools, ensuring they are consistent with the objectives and operation of the Trust;
- Ensure succession is built into Trust structures at all levels and particularly at Trustee and LGB level so that these Boards remain strong and effective;
- Identify new members for Governance across the Trust and develop an induction and training programme to build knowledge and capacity;
- Create the Estate Vision, Strategy and Asset Management Plan for the Trust and carry out major capital works in line with the School Conditions Allocation funding which the Trust has received.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held in this regard.

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.

Auditors

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 Trustee's Report, incorporating a Strategic Report, was approved by the Board of Trustees, and signed on its behalf by:



Jenny Tosh (Dec 14, 2020, 9:17pm)

Jenny Tosh
Chair of Trustees

date: 14 Dec 2020

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Children First 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 Trustee, 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 Chief Executive Officer (CEO), 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 Children First Academy Trust and the Secretary of State for Education. She is 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 five times during the year (i.e. less than six times). The Board is satisfied that, through the use of sub-committees, it maintains effective oversight.

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

Trustee	Meetings attended	Out of a possible
Ivor Olley	5	5
Anthony Gilling	5	5
Gary Kyriacos Christofi	4	5
Jenny Tosh, Chair of Trustees	3	5
Marcia Sinclair	5	5
Neil Yeomans	5	5
Rosemary Stanley-McKenzie	3	5
Winifred Maria Greer	5	5
Zahra Amina Graham	0	5

Review of year:

There have been no changes in the composition of the Trust Board during this year. There are nine Trustees with a wide range of experience and skills covering education, financial management, Human Resources, risk management and legal matters. The Members also remained the same. The planned meeting schedule was maintained 'virtually', throughout the partial closure and re-opening of the schools. A small COVID-19 committee was created with three Trustees, who received weekly reports from the CEO throughout the pandemic and were available for immediate decisions to be taken when necessary. The Trust has worked well with the LGBs to develop their role within the structure of the Trust.

Governance reviews:

In October 2019, the Trust received a two-day visit from ESFA, to validate the Trust's Financial Management and Governance Self-Assessment form (FMGS) submission. An action plan was created to ensure that the small number of action points were all completed within an agreed timeframe and this was monitored by the Resources, Risk and Audit Committee. All the actions have been completed including those linked with monthly financial reporting and agreeing a programme for internal scrutiny. The Trust is now confident that its financial reporting to Trustees is secure and takes into account the expectations laid out in the Academies Financial Handbook. In terms of internal scrutiny, the Resources Risk and Audit committee have overseen the programme of works, with two reviews taking place this year and a programme in place for 2020/21. Both internal scrutiny reports showed that 'there is a sound control framework in place to achieve system objectives' (overall green rating), with very few minor recommendations.

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Trust was planning to have a review of Governance in the summer term, but the difficulties raised by the pandemic, meant that this was not possible. This review will now form part of the internal audit programme for 2020/21.

Committees

The Resources, Risk and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to:

Take responsibility for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and School finances and resources including talent, through proper planning, monitoring, scrutiny and probity. This includes promoting the development of internal controls and risk management systems which will help satisfy the Board that the Trust and its Schools will achieve their objectives and targets and are operating in accordance with any statutory requirements for the use of public funds. The Committee also recommended the appointment of both the internal and external Auditors, agreed the budgets and forecasts for the years ahead

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Neil Yeomans	4	4
Anthony Gilling	4	4
Gary Christofi	2	4
Zahra Amina Graham	2	4

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided 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 for the Trust has delivered improved value for money during the year by:

- Working with the current catering provider who has provided good service to reduce costs through combined purchasing.
- Various other purchases which were previously made per School have now come centrally e.g. computer software packages have been purchased/re-brokered as a Trust, parent pay charges for services, recruitment costs for national advertising, Educational Psychology services. These have all resulted in significant reduction of costs per School.
- Re-organisation and rationalisation of office staff across the Trust, with the formation of a central finance team and the appointment of a School Business Manager across two Schools has meant significantly reduced administration staffing costs for Schools
- Moving forward, the Trust is currently investigating tendering for other services across all five Schools to improve quality and reduce costs.

The key areas where COVID has adversely impacted on achieving value for money are:

- Catering costs were charged throughout the period of School closure despite no income being received during this time.
- Upon the DfE direction, committed long- term agency supply staff were paid throughout the period despite the fact they were not required as pupils were not on site. This was the case at every School resulting on a substantial impact on the budgets. In the case of short-term non-committed, day to day supply this was terminated at closure.

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- The decision was taken, on advice, not to furlough any staff across the Trust. We did investigate the value of putting staff with more than one post, e.g. breakfast club / after school club employees on furlough but the saving was so nominal as to not make it a viable option. Only one School actually has their own after school club employees (others after school clubs are externally managed).
- A substantial amount of extra funds was spent on deep cleaning across all five Schools prior to re-opening in June as well as the purchase of adequate supplies of PPE and other necessary cleaning items.
- Staffing to manage the childcare provision during the Easter break for key worker children and NHS staff (other than at our Schools) was funded through normal School revenue.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Children First 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.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks, including those associated with the Covid 19 pandemic, that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees, along with monthly management accounts that are reviewed by the Chairs of the Board and the Resources Risk and Audit Committee;
- Regular reviews by the Resources, Risk and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

Internal Scrutiny/Audit

The Board of Trustees considered the need for a specific internal audit function and decided for the year 2019/20 to appoint Price Bailey to provide both the internal and external audit for the Trust.

Following the revision of the FRC Ethical Standards, the Trust has now appointed Buzzacott to carry out internal audit for the year 2020/21, whilst Price Bailey continue to act as external Auditors.

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

- Payroll procedures – verification and cross-checking of staff salaries, contracts, changes through the academic year to ensure no discrepancies across the Trust or any fraudulent payments; and
- Key Financials – reviewing financial procedures are in line with AFH guidelines including verification of purchase orders, invoices, BACs payments, staff expenses.

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

The Internal Auditor reports to the Board of Trustees, through the Resources, Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities, and prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress. This year the internal audit schedule was delayed due to the pandemic. The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

Review of effectiveness

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

- The work of the Internal Auditor;
- The work of the external Auditors;
- The financial management and governance self-assessment process; and
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources, Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 09 Dec 2020

and signed on their behalf by:



Jenny Tosh (Dec 14, 2020, 9:17pm)

Jenny Tosh
Chair of Trustees



Kate Turnpenney (Dec 15, 2020, 7:52am)

Kate Turnpenney
Accounting Officer

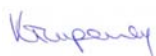
CHILDREN FIRST ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Children First 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Kate Turnpenney (Dec 15, 2020, 7:52am)

Kate Turnpenney
Accounting Officer
Date:

15 Dec 2020

CHILDREN FIRST ACADEMY TRUST

STATEMENT OF TRUSTEE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The Trustee (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustee's 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 Trustee to prepare financial statements for each financial year. Under company law, the Trustee 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 Trustee are required to:

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

The Trustee 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 Trustee 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 Trustee 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 on 09 Dec 2020
on its behalf by:

and signed



Jenny Tosh (Dec 14, 2020, 9:17pm)

Jenny Tosh

Chair of Trustees

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHILDREN FIRST ACADEMY TRUST

Opinion

We have audited the financial statements of Children First Academy Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHILDREN FIRST 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, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' Report including the Strategic Report for the year for which the financial statements are prepared is consistent with the financial statements.
- The Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHILDREN FIRST ACADEMY TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



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

Date: 15 December 2020

CHILDREN FIRST ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 1 May 2019 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 Children First 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 Children First Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Children First 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 Children First Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Children First Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Children First Academy Trust's funding agreement with the Secretary of State for Education dated 29 March 2019 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.

CHILDREN FIRST ACADEMY TRUST

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure:

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

Conclusion

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



Reporting Accountant
Price Bailey LLP

Date: 15 December 2020

CHILDREN FIRST ACADEMY TRUST

**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 5 months to 2019 £
Income from:						
Donations and capital grants	3	12,392	36,409	892,945	941,746	33,206,603
Charitable activities	4	182,762	19,018,798	-	19,201,560	7,717,858
Other trading activities	5	281,463	-	-	281,463	130,858
Investments	6	1,145	-	-	1,145	-
Total income		477,762	19,055,207	892,945	20,425,914	41,055,319
Expenditure on:						
Charitable activities	7	351,787	19,570,349	718,093	20,640,229	9,036,952
Total expenditure		351,787	19,570,349	718,093	20,640,229	9,036,952
Net income/ (expenditure)		125,975	(515,142)	174,852	(214,315)	32,018,367
Transfers between funds	16	-	(17,199)	17,199	-	-
Net movement in funds before other recognised gains/(losses)		125,975	(532,341)	192,051	(214,315)	32,018,367
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(1,424,000)	-	(1,424,000)	(1,213,000)
Net movement in funds		125,975	(1,956,341)	192,051	(1,638,315)	30,805,367
Reconciliation of funds:						
Total funds brought forward		1,358,266	(6,797,000)	36,244,101	30,805,367	-
Net movement in funds		125,975	(1,956,341)	192,051	(1,638,315)	30,805,367
Total funds carried forward		1,484,241	(8,753,341)	36,436,152	29,167,052	30,805,367

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

The notes on pages 27 to 52 form part of these financial statements.

CHILDREN FIRST ACADEMY TRUST
REGISTERED NUMBER: 11834165

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	35,600,970	36,186,804
		<u>35,600,970</u>	<u>36,186,804</u>
Current assets			
Debtors	14	540,058	788,331
Cash at bank and in hand		3,446,314	1,750,993
		<u>3,986,372</u>	<u>2,539,324</u>
Creditors: amounts falling due within one year	15	(1,232,290)	(1,123,761)
Net current assets		<u>2,754,082</u>	<u>1,415,563</u>
Total assets less current liabilities		<u>38,355,052</u>	<u>37,602,367</u>
Defined benefit pension scheme liability	22	(9,188,000)	(6,797,000)
Total net assets		<u><u>29,167,052</u></u>	<u><u>30,805,367</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	36,436,152	36,244,101
Restricted income funds	16	434,659	-
Pension reserve	16	(9,188,000)	(6,797,000)
Total restricted funds	16	<u>27,682,811</u>	<u>29,447,101</u>
Unrestricted income funds	16	<u>1,484,241</u>	<u>1,358,266</u>
Total funds		<u><u>29,167,052</u></u>	<u><u>30,805,367</u></u>

The financial statements on pages 24 to 52 were approved by the Trustee, and authorised for issue on and are signed on their behalf, by:



14 Dec 2020

Jenny Tosh (Dec 14, 2020, 9:17pm)

Jenny Tosh

(Chair of Trustees)

The notes on pages 27 to 52 form part of these financial statements.

CHILDREN FIRST ACADEMY TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	933,490	1,811,923
Cash flows from investing activities	19	761,831	(60,930)
Change in cash and cash equivalents in the year		1,695,321	1,750,993
Cash and cash equivalents at the beginning of the year		1,750,993	-
Cash and cash equivalents at the end of the year	20, 21	<u>3,446,314</u>	<u>1,750,993</u>

The notes on pages 27 to 52 form part of these financial statements

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Children First Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

The Trustee assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustee make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the year end the 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 Academy 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.

1.3 Company status

The Trust is a company limited by guarantee. The Members of the Company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

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 Trust has provided the goods or services.

1.5 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

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

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold buildings	- 10-50 years straight line
Furniture and equipment	- 3 years straight line
Computer equipment	- 3 years straight line

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

1.8 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.

1.9 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.

1.10 Liabilities

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

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

CHILDREN FIRST ACADEMY TRUST

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	12,392	36,409	-	48,801	19,557
Transfer on conversion	-	-	-	-	33,129,749
Capital grants	-	-	892,945	892,945	57,297
Total 2020	<u>12,392</u>	<u>36,409</u>	<u>892,945</u>	<u>941,746</u>	<u>33,206,603</u>
Total 2019	<u>1,407,703</u>	<u>(4,668,353)</u>	<u>36,467,253</u>	<u>33,206,603</u>	

In 2019, income from donations was £19,557 of which £910 was unrestricted and £18,647 restricted.

In 2019, income from transfers on conversion was £33,129,749 of which £1,406,793 was unrestricted, £36,409,956 in relation to restricted fixed assets and (£4,687,000) in relation to restricted funds.

In 2019, capital grants of £57,297 were in relation to restricted fixed assets.

CHILDREN FIRST ACADEMY TRUST

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

4. Funding for the Trust's educational operation

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	13,655,914	13,655,914	5,702,251
Other DfE / ESFA grants	-	2,606,609	2,606,609	820,327
Start up grants	-	-	-	125,000
	-	16,262,523	16,262,523	6,647,578
Other Government grants				
Local Authority grants	-	2,747,138	2,747,138	968,038
	-	2,747,138	2,747,138	968,038
Other funding				
Catering income	182,762	-	182,762	102,242
	182,762	-	182,762	102,242
Exceptional government funding				
Coronavirus exceptional support	-	9,137	9,137	-
	-	9,137	9,137	-
Total 2020	182,762	19,018,798	19,201,560	7,717,858
Total 2019	102,242	7,615,616	7,717,858	

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 support costs covers £9,137 of costs. These costs are included in Notes 7 and 9 below as appropriate.

In 2019, income from DfE/ESFA grants was £6,647,578 of which all was restricted.

In 2019, income from other Government grants was £968,038 of which all was restricted.

In 2019, income from catering was £102,242 of which all was unrestricted.

CHILDREN FIRST ACADEMY TRUST

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	83,486	83,486	52,101
Other income	197,977	197,977	78,757
Total 2020	281,463	281,463	130,858
Total 2019	130,858	130,858	

In 2019, income from hire of facilities was £52,101 of which all was unrestricted.

In 2019, other income was £78,757 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	1,145	1,145	-

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	14,149,514	-	543,830	14,693,344	5,649,991
Support costs	2,836,601	1,646,392	1,463,892	5,946,885	3,386,961
Total 2020	16,986,115	1,646,392	2,007,722	20,640,229	9,036,952
Total 2019	7,335,027	568,382	1,133,543	9,036,952	

CHILDREN FIRST ACADEMY TRUST

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

7. Expenditure (continued)

In 2020, of the total expenditure, £351,787 (2019 - £221,607) was from unrestricted funds, £19,570,349 (2019 - £8,531,263) was from restricted funds and £718,093 (2019 - £284,082) was from restricted fixed asset funds.

In 2019, direct costs consisted of £5,410,926 staff costs and £239,065 other costs.

In 2019, support costs consisted of £1,924,101 staff costs, £568,382 premises costs and £894,478 other costs.

	2020 £	2019 £
Analysis of support costs:		
Staff costs	2,836,601	1,924,101
Depreciation	718,093	284,079
Governance	46,799	13,550
Technology	110,509	65,909
Premises	928,299	284,303
Other	1,102,359	638,054
Legal	204,225	176,965
	<u>5,946,885</u>	<u>3,386,961</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	18,988	1,658
Depreciation of tangible fixed assets	718,093	284,079
Fees paid to Auditors for:		
- audit	9,560	9,300
- other services	7,780	5,110
	<u>7,780</u>	<u>5,110</u>

CHILDREN FIRST ACADEMY TRUST

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

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	11,927,537	4,972,606
Social security costs	1,144,179	475,802
Pension costs	3,326,989	1,657,900
	<u>16,398,705</u>	<u>7,106,308</u>
Agency staff costs	571,037	228,719
Staff restructuring costs	16,373	-
	<u>16,986,115</u>	<u>7,335,027</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Other restructuring costs	16,373	-
	<u>16,373</u>	<u>-</u>

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

Included in staff restructuring costs are non-statutory/non-contractual payments totalling £16,373 (2019 - £Nil). Individually, the payments were £10,373 and £6,000.

c. Staff numbers

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

	2020 No.	2019 No.
Teaching	145	160
Admin and Support	310	278
Management	30	1
	<u>485</u>	<u>439</u>

CHILDREN FIRST ACADEMY TRUST

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

9. Staff (continued)

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	6	-
In the band £70,001 - £80,000	3	-
In the band £80,001 - £90,000	2	-
In the band £110,001 - £120,000	1	-
	<u>12</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Trust comprise the Trustee and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £292,746 (2019 £70,720).

Employer National Insurance contributions included within key management personnel remuneration were £26,233 (2019 - £6,815).

Employer pension contributions included within key management personnel remuneration were £50,359 (2019 - £9,634).

CHILDREN FIRST ACADEMY TRUST

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

10. Central services

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

- Finance support
- Legal services, health and safety
- Audit
- Recruitment and payroll
- Estates management

To fund these costs, the Trust will retain 3% of each Academy's GAG funding and early years Local Authority funding.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Brettenham School	64,222	26,120
Fleecefield School	66,910	25,163
Galliard School	94,357	39,959
Raynham School	105,168	43,035
Wilbury School	119,167	49,171
Total	449,824	183,448

11. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust 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.

CHILDREN FIRST ACADEMY TRUST

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

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	35,980,926	489,960	-	36,470,886
Additions	10,357	4,790	117,112	132,259
At 31 August 2020	35,991,283	494,750	117,112	36,603,145
Depreciation				
At 1 September 2019	218,585	65,497	-	284,082
Charge for the year	525,474	163,990	28,629	718,093
At 31 August 2020	744,059	229,487	28,629	1,002,175
Net book value				
At 31 August 2020	35,247,224	265,263	88,483	35,600,970
At 31 August 2019	35,762,341	424,463	-	36,186,804

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	1,182	1,110
Wages and salaries recoverable	1,813	12,515
Prepayments and accrued income	507,862	636,942
VAT repayable	29,201	137,764
	540,058	788,331

CHILDREN FIRST ACADEMY TRUST

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

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	104,615	278,053
Other taxation and social security	254,486	269,214
Other creditors	314,163	259,582
Accruals and deferred income	559,026	316,912
	<u>1,232,290</u>	<u>1,123,761</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	209,671	-
Resources deferred during the year	235,835	209,671
Amounts released from previous periods	(209,671)	-
Deferred income at 31 August 2020	<u>235,835</u>	<u>209,671</u>

The resources deferred at the period end relate to contributions towards free school meals after school and breakfast club contributions and dinner money.

CHILDREN FIRST ACADEMY TRUST

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

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	1,358,266	477,762	(351,787)	-	-	1,484,241
Restricted general funds						
General Annual Grant (GAG)	-	13,655,914	(13,204,056)	(17,199)	-	434,659
Other DfE/ESFA grants	-	2,615,746	(2,615,746)	-	-	-
Other Government grants	-	2,747,138	(2,747,138)	-	-	-
Trip donations	-	36,409	(36,409)	-	-	-
Pension reserve	(6,797,000)	-	(967,000)	-	(1,424,000)	(9,188,000)
	<u>(6,797,000)</u>	<u>19,055,207</u>	<u>(19,570,349)</u>	<u>(17,199)</u>	<u>(1,424,000)</u>	<u>(8,753,341)</u>
Restricted fixed asset funds						
DfE/capital grants	57,297	892,945	-	(115,060)	-	835,182
Restricted fixed assets	36,186,804	-	(718,093)	132,259	-	35,600,970
	<u>36,244,101</u>	<u>892,945</u>	<u>(718,093)</u>	<u>17,199</u>	<u>-</u>	<u>36,436,152</u>
Total Restricted funds	<u>29,447,101</u>	<u>19,948,152</u>	<u>(20,288,442)</u>	<u>-</u>	<u>(1,424,000)</u>	<u>27,682,811</u>
Total funds	<u><u>30,805,367</u></u>	<u><u>20,425,914</u></u>	<u><u>(20,640,229)</u></u>	<u><u>-</u></u>	<u><u>(1,424,000)</u></u>	<u><u>29,167,052</u></u>

CHILDREN FIRST ACADEMY TRUST

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

16. Statement of funds (continued)

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

Unrestricted funds

This represents income the Trust can use to pursue any of its objects as defined in the Articles of Association without restriction.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. The funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants

This represents funding received from the DfE/ESFA which is restricted in nature for specific educational provisions.

Other Government grants

This represents funding received from other Government bodies, local and national, which are restricted in nature.

Restricted Trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and the associated costs.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

The restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Trust. The transfer between funds represents additions purchased through revenue grant funding.

DfE Capital grants

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

CHILDREN FIRST ACADEMY TRUST

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

16. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Raynham Primary School	792,335	446,606
Wilbury Primary School	519,323	452,797
Galliard Primary School	378,928	131,003
Brettenham Primary School	125,258	149,293
Fleecefield Primary School	102,070	152,832
Central service	986	25,735
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,918,900	1,358,266
Restricted fixed asset fund	36,436,152	36,244,101
Pension reserve	(9,188,000)	(6,797,000)
	<hr/>	<hr/>
Total	29,167,052	30,805,367
	<hr/> <hr/>	<hr/> <hr/>

CHILDREN FIRST ACADEMY TRUST

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

16. Statement of funds (continued)

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Raynham Primary School	2,914,059	380,536	81,870	517,644	3,894,109	1,714,887
Wilbury Primary School	3,478,506	749,517	181,419	572,143	4,981,585	2,010,919
Galliard Primary School	2,974,917	456,235	77,031	492,942	4,001,125	1,661,430
Brettenham Primary School	1,985,267	318,052	53,141	344,081	2,700,541	1,078,581
Fleecefield Primary School	2,045,576	503,923	64,915	287,657	2,902,071	1,168,270
Central service	155,189	177,338	890	142,288	475,705	221,783
Trust pension cost	-	-	-	967,000	967,000	897,000
Trust	13,553,514	2,585,601	459,266	3,323,755	19,922,136	8,752,870

CHILDREN FIRST ACADEMY TRUST

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

16. Statement of funds (continued)

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

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General funds	1,640,803	(221,607)	(60,930)	-	1,358,266
	<u>1,640,803</u>	<u>(221,607)</u>	<u>(60,930)</u>	<u>-</u>	<u>1,358,266</u>
Restricted general funds					
General Annual Grant (GAG)	5,702,251	(5,702,251)	-	-	-
Other DfE/ESFA grants	820,327	(820,327)	-	-	-
Start up grant	125,000	(125,000)	-	-	-
Other Government grants	968,038	(968,038)	-	-	-
Trip donations	18,647	(18,647)	-	-	-
Pension reserve	(4,687,000)	(897,000)	-	(1,213,000)	(6,797,000)
	<u>2,947,263</u>	<u>(8,531,263)</u>	<u>-</u>	<u>(1,213,000)</u>	<u>(6,797,000)</u>
Restricted fixed asset funds					
DfE/capital grants	57,297	-	-	-	57,297
Restricted fixed assets	36,409,956	(284,082)	60,930	-	36,186,804
	<u>36,467,253</u>	<u>(284,082)</u>	<u>60,930</u>	<u>-</u>	<u>36,244,101</u>
Total Restricted funds	<u>39,414,516</u>	<u>(8,815,345)</u>	<u>60,930</u>	<u>(1,213,000)</u>	<u>29,447,101</u>
Total funds	<u><u>41,055,319</u></u>	<u><u>(9,036,952)</u></u>	<u><u>-</u></u>	<u><u>(1,213,000)</u></u>	<u><u>30,805,367</u></u>

CHILDREN FIRST ACADEMY TRUST

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

17. Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	35,600,970	35,600,970
Current assets	1,503,202	1,647,988	835,182	3,986,372
Creditors due within one year	(18,961)	(1,213,329)	-	(1,232,290)
Provisions for liabilities and charges	-	(9,188,000)	-	(9,188,000)
Total	1,484,241	(8,753,341)	36,436,152	29,167,052

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	-	-	36,186,804	36,186,804
Current assets	1,358,266	1,123,761	57,297	2,539,324
Creditors due within one year	-	(1,123,761)	-	(1,123,761)
Provisions for liabilities and charges	-	(6,797,000)	-	(6,797,000)
Total	1,358,266	(6,797,000)	36,244,101	30,805,367

CHILDREN FIRST ACADEMY TRUST

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

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(214,315)	32,018,367
Adjustments for:		
Depreciation	718,093	284,082
Capital grants from DfE and other capital income	(892,945)	-
Interest receivable	(1,145)	-
Pension liability movements	967,000	897,000
Defined benefit pension scheme obligation inherited on conversion	-	4,687,000
Decrease/(increase) in debtors	248,273	(788,331)
Increase in creditors	108,529	1,123,761
Net gain on assets and liabilities from local authority on conversion	-	(36,409,956)
Net cash provided by operating activities	933,490	1,811,923

19. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,145	-
Purchase of tangible fixed assets	(132,259)	(60,930)
Capital grants from DfE	892,945	-
Net cash provided by/(used in) investing activities	761,831	(60,930)

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	3,446,314	1,750,993

CHILDREN FIRST ACADEMY TRUST

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	1,750,993	1,695,321	3,446,314

22. Pension commitments

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

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

Contributions amounting to £262,305 were payable to the schemes at 31 August 2020 (2019 - £248,345) 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.

CHILDREN FIRST ACADEMY TRUST

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

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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £1,488,658 (2019 - £404,367).

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

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

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 £1,244,000 (2019 - £554,000), of which employer's contributions totalled £987,000 (2019 - £446,000) and employees' contributions totalled £ 257,000 (2019 - £108,000). 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.

CHILDREN FIRST ACADEMY TRUST

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

22. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment/inflation	2.3	2
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.3	2
Commutation of pensions to lump sums	50	50
Inflation assumption (RPI)	3.3	3

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

	2020 Years	2019 Years
Retiring today		
Males	22.4	23.4
Females	24.3	25
Retiring in 20 years		
Males	23	25.8
Females	25	27.6

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(486,000)	(400,000)
Discount rate -0.1%	506,000	410,000
Mortality assumption - 1 year increase	(700,000)	(532,000)
Mortality assumption - 1 year decrease	720,000	527,000
CPI rate +0.1%	214,000	237,000
CPI rate -0.1%	(195,000)	(234,000)

CHILDREN FIRST ACADEMY TRUST

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

22. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	4,742,000	4,227,000
Gilts	770,000	1,225,000
Corporate bonds	1,488,000	1,335,000
Property	606,000	664,000
Cash and other liquid assets	452,000	387,000
Other	2,207,000	1,372,000
Total market value of assets	10,265,000	9,210,000

The actual return on scheme assets was £(£70,000) (2019 - £565,000).

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

	2020 £	2019 £
Current service cost	(1,834,000)	(642,000)
Past service cost	-	(655,000)
Interest income	186,000	86,000
Interest cost	(306,000)	(46,000)
Total amount recognised in the Statement of Financial Activities	(1,954,000)	(1,257,000)

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

	2020 £	2019 £
At 1 September	16,007,000	-
Inherited on conversion to academy trust status	-	12,796,000
Interest cost	306,000	132,000
Employee contributions	257,000	108,000
Actuarial losses	1,168,000	1,687,000
Benefits paid	(119,000)	(13,000)
Past service costs	-	655,000
Current service cost	1,834,000	642,000
At 31 August	19,453,000	16,007,000

CHILDREN FIRST ACADEMY TRUST

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

22. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	9,210,000	-
Inherited on conversion to academy trust status	-	8,109,000
Interest income	186,000	86,000
Actuarial (losses)/gains	(256,000)	474,000
Employer contributions	987,000	446,000
Employee contributions	257,000	108,000
Benefits paid	(119,000)	(13,000)
At 31 August	<u>10,265,000</u>	<u>9,210,000</u>

23. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	22,929	17,402
Later than 1 year and not later than 5 years	33,511	23,910
	<u>56,440</u>	<u>41,312</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 Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.