

Company Registration No. 07561574 (England and Wales)

BENFLEET SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

BENFLEET SCHOOLS TRUST

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BENFLEET SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	S Dignasse J Fryer P Hillman (Member, Chair) S Johnson K Kerridge (Head Teacher) R Nolan C Purdy T Reynolds (Member) (resigned 9 July 2020) K Lay (Member) (appointed 30 June 2020)
Members	M Hillman P Hillman T Reynolds
Senior management team	K Kerridge - Head Teacher A Clarke - Deputy Head Teacher S Cox - Deputy Head Teacher J Gill - Assistant Head Teacher S Mooney - Assistant Head Teacher S Bramwell – Assistant Head Teacher S Stockdale – Assistant Head Teacher B Cooper – Assistant Head Teacher G Farrance - Business Manager
Company Secretary	I Clark (to 31 December 2020)
Company registration number	07561574 (England and Wales)
Registered office	c/o The Appleton School Croft Road Benfleet Essex SS7 5RN United Kingdom
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	Lloyds Bank PLC 10-20 Town Square Basildon SS14 1DU
Solicitors	Eversheds LLP One Wood Street London EC2V 7WS

BENFLEET SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2019/20 issued by the ESFA

The principal activity of the company is the operation of a state-funded Academy, The Appleton School, providing a state education for students aged 11 to 18 with a specialism in Business and Enterprise. It has a pupil roll of 1607 in the school census dated May 2020.

Structure, governance and management

Constitution

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

The trustees of Benfleet Schools Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The company operates as "The Appleton School".

Members' liability

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

Trustees' Indemnities

The Trust has not given any indemnities in respect of trustees.

Method of recruitment and appointment or election of directors

In accordance with the articles, the directors of the charitable company are the trustees. They are appointed as follows;

- a) Up to eight directors appointed by the Members;
- b) Minimum of two parent directors elected by parents; unless there are Local Governing Bodies which include at least two Parent Members;
- c) The Chief Executive Officer;
- d) Up to three Co-opted directors appointed by the Directors;
- e) Further directors may be appointed by the Secretary of State.

In respect of those appointed by the Members, ((a), above) when a vacancy arises, the Members seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

Policies and procedures adopted for the induction and training of directors (trustees)

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All trustees are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as directors. The Trust also purchases the Governor Training run by the local authority for members of the local governing body as required.

BENFLEET SCHOOLS TRUST

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FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Benfleet Schools Trust is a Multi Academy Trust. It operates with a Board of Directors of the Multi Academy Trust and a local governing body for The Appleton School. The directors of Benfleet Schools Trust are responsible for the strategic direction of the school, appointment of the local governing body and senior management of the school. They have delegated all other responsibilities to the local governing body. To enable them to carry out these duties the directors meet at least four times a year to consider the strategic priorities of the Trust. The local governing body meets at least three times a year and has two committees.

- Standards, Staffing and Curriculum
- Finance, Estates and General Purposes

Both committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Day to day management of the company is undertaken by the Head Teacher supported by the Leadership Team. The Head Teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key personnel are as follows:
Head Teacher of The Appleton School salary is set by the Benfleet Schools Trust at Board level.
Company Secretary of Benfleet Schools Trust salary is set by the Benfleet Schools Trust at Board level.
All other key personnel have salaries approved and set by the local governing body pay committee.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£7,300k
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

Benfleet Schools Trust is a sponsor and member of Takely Education Trust which operates the state funded academy known as Woodlands School.

BENFLEET SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of The Appleton School, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

Objectives, strategies and activities

The principal object of the company is to advance for the public benefit, education in the United Kingdom. It achieves this object through the operation of The Appleton School, providing a state education, free of charge, to pupils aged 11 to 18.

Public benefit

In setting the objectives and planning the associated activities, trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

The school was judged to be good by Ofsted in February 2019. Standards in all indicators were judged to be good. The school continues to have attainment well above national averages.

The school has also had many sporting successes at district and county level.

There are also many enrichment opportunities at The Appleton School including trips to France, Germany, Austria, Thailand, and America.

Key Financial Performance Indicators

No key financial performance indicators have been set by the directors, beyond the requirement that the financial position should remain sufficient to fund future needs. The principal performance measures are non-financial; these are largely educational and pastoral plus retention of an amount equal to 5% of the annual grant.

Other Key Performance Indicators

The Appleton School is a good school. In 2020 73% achieved 9 - 4 in English and Maths. 99% of students gained 5GCSE's.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. 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.

BENFLEET SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2020 £'000	2019 £'000
GAG	Restricted General Funds	(151)	219
Other DfE/ESFA Grants	Restricted General Funds	-	-
Other Government Grants	Restricted General Funds	-	-
Other Income	Restricted General Funds	-	-
	Sub-total General Restricted Funds	(151)	219
Unspent Capital Grants	Restricted Fixed Asset Fund	208	203
Capital Salix/CIF Loans	Restricted Fixed Asset Fund	(125)	(152)
Other Income	Unrestricted General Fund	347	371
	Sub-Total Spendable Funds	279	641
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	12,613	13,134
Share of LGPS Deficit	Restricted Pension Reserve	(4,326)	(3,671)
	Total All Funds	8,566	10,104

During the year under review, there was a decrease of £(370)k (2019: surplus of £25k) on the general restricted funds, a decrease of £(24)k (2019: surplus of £31k) on unrestricted funds and after actuarial gains, LGPS valuation adjustments, depreciation and capital income and expenditure, an overall decrease on the total funds of £(1,538)k (2019: £(1,078k)).

Reserves policy

Reserve levels are regularly monitored by Directors and Management to ensure that sufficient reserves are maintained to meet anticipated future needs while avoiding long term accumulation of excessive sums. A Reserves

BENFLEET SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Policy of 5% of the annual General Income Grant has been approved by the Directors and will be reviewed annually.

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal Risks and Uncertainties

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare. The Directors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Leadership Team and overseen by Directors. The major risks to which the academy trust is exposed are:

- Closure due to fall in student numbers
- Closure due to examination outcomes
- The academy falling into financial deficit
- Child protection failings

Procedures to mitigate these risks:

- Academy heavily oversubscribed in 2020, 2019, 2018 and 2017 with over 840 (2020), 1,000 (2019) and 900 (2017 & 2018) students applying for 270 places, Open Evenings are advertised in local papers and at Primary Schools.
- Examination outcomes and risks closely monitored by the Leadership Team, Trustees and external reviewers. Students are tracked closely to ensure that they make satisfactory progress.
- Regular monitoring of income and expenditure is undertaken by the Leadership Team and is reported to and overseen by the Finance, Estates and General Purposes committee.
- Regular risk assessments for trips, all staff subject to DBS checks, visitors are accompanied while on-site if not DBS checked and regular training is provided to staff on child protection issues.

Other Financial Risks

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Our fundraising practices

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust. The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year. The trust complies with the Fundraising Regulator's Code of Fundraising Practice. All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

BENFLEET SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for Future Periods

- Governors wish to move to a PAN of 300 but this requires a capital build
- Capital bids resubmitted in December 2019, December 2018, December 2017 and December 2016 to increase the number of general teaching spaces in the school but were unsuccessful on all occasions. This will be resubmitted.
- Lagged impact of funding to be considered in budget planning.

Funds Held as Custodian Trustee on Behalf of Others

The Academy is the "banker school" holding funds on behalf of the Benfleet Teaching School Alliance. At 31 August 2020 £382k (2019: £305k) remains unspent and is held within deferred income.

Auditor

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 07 Dec 2020 and signed on its behalf by:



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P Hillman
Chair

BENFLEET SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer (AO), 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 Benfleet Schools Trust and the Secretary of State for Education. The AO 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 three times during the year (one meeting was cancelled due to Covid-19 pandemic). Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Dignasse	3	3
J Fryer	2	3
P Hillman (Member, Chair)	3	3
S Johnson	3	3
K Kerridge (Head Teacher)	3	3
R Nolan	1	3
C Purdy	2	3
T Reynolds (Member)	1	3

A Multi Academy Trust was established in February 2015 and became operational in April 2015. At Trust level the members include a recently retired head teacher to advise on educational matters and a chartered accountant to strengthen the financial oversight at trust level.

Governance reviews:

- The annual review of Governors at local level has also taken place. The school has now successfully appointed three new governors.

The Finance, Estates and General Purposes Committee is a sub-committee of the Local Governing Body of The Appleton School to which the main board of trustees has delegated responsibility. Its purpose is:

- Regular monitoring of actual income and expenditure
- Review and recommendation of the annual budget
- Review the reports of the auditors on the effectiveness of the financial procedures and controls

Attendance at meetings of the Finance, Estates and General Purposes Committee during the year was as follows:

	Meetings attended	Out of possible
P Hillman (Chair of Committee)	2	2
B Tshabuluka	2	2
K Kerridge	2	2
G Webb	1	2
M Titheradge	2	2
N Howard	1	1
L Smith	1	1
S Gould	1	2

BENFLEET SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The School has been judged as good by OFSTED in February 2019 giving good value for money. The school results at Key Stage 4 and Key Stage 5 were graded good by OFSTED in 2019.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Benfleet Schools Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, estates and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Baxter & Co to conduct a programme of internal assurance work. On a termly basis, Baxter & Co report to the Trustees on the operation of the systems of control and compliance checks carried out included:

- Testing of payroll systems
- Testing of purchases system
- Testing of control account/bank reconciliations
- Testing of compliance with some of the key regularity requirements within the ESFA's Academies Financial Handbook

The Governing Body are satisfied that the internal assurance function has been fully delivered in line with the Education and Skills Funding Agency's requirements. No material control issues have been notified to the Governors as a result of the RO's work.

BENFLEET SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Baxter & Co have confirmed that in accordance with the ethical standard, having concluded their engagement to support the RO for 2019/20, they will no longer provide internal scrutiny services. The Trust will therefore be implementing an alternative provider for 2020/21.

Review of effectiveness

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Estates and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 07 Dec 2020 and signed on its behalf by:



P Hillman
Chair



K Kerridge
Head Teacher & Accounting Officer

BENFLEET SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Benfleet Schools Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



K Kerridge
Accounting Officer

07 December 2020

BENFLEET SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Benfleet Schools Trust for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these Financial Statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 07 December 2020 and signed on its behalf by:


P Hillman
Chair

BENFLEET SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENFLEET SCHOOLS TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the Financial Statements of Benfleet Schools Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. 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.

BENFLEET SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENFLEET SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

BENFLEET SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENFLEET SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



David John Walsh FCCA (Senior Statutory Auditor)
For and on behalf of Baxter & Co
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 20 January 2021

BENFLEET SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BENFLEET SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 1 November 2012 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 Benfleet Schools Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Benfleet Schools Trust's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academies Financial Handbook 2019, issued by the ESFA.

BENFLEET SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

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



Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 20 January 2021

BENFLEET SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	12	-	32	44	589
Charitable activities:						
- Funding for educational operations	4	369	8,646	-	9,015	8,448
- Funding for teaching school	28	-	233	-	233	369
Other trading activities	5	7	19	-	26	47
Total		388	8,898	32	9,318	9,453
Expenditure on:						
Raising funds	6	-	42	-	42	57
Charitable activities:						
- Educational operations	8	412	9,165	646	10,223	9,605
- Teaching school	28	-	233	-	233	369
Total	6	412	9,440	646	10,498	10,031
Net expenditure		(24)	(542)	(614)	(1,180)	(578)
Transfers between funds	18	-	(125)	125	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(358)	-	(358)	(500)
Net movement in funds		(24)	(1,025)	(489)	(1,538)	(1,078)
Reconciliation of funds						
Total funds brought forward		371	(3,452)	13,185	10,104	11,182
Total funds carried forward		347	(4,477)	12,696	8,566	10,104

BENFLEET SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed asset £'000	2019 £'000
Income and endowments from:					
Donations and capital grants	3	25	-	564	589
Charitable activities:					
- Funding for educational operations	4	505	7,943	-	8,448
- Funding for teaching school	28	-	369	-	369
Other trading activities	5	9	38	-	47
Total		<u>539</u>	<u>8,350</u>	<u>564</u>	<u>9,453</u>
Expenditure on:					
Raising funds	6	-	57	-	57
Charitable activities:					
- Educational operations	8	508	8,451	646	9,605
- Teaching school	28	-	369	-	369
Total	6	<u>508</u>	<u>8,877</u>	<u>646</u>	<u>10,031</u>
Net income/(expenditure)		31	(527)	(82)	(578)
Transfers between funds	18	-	249	(249)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(500)	-	(500)
Net movement in funds		31	(778)	(331)	(1,078)
Reconciliation of funds					
Total funds brought forward		<u>340</u>	<u>(2,674)</u>	<u>13,516</u>	<u>11,182</u>
Total funds carried forward		<u>371</u>	<u>(3,452)</u>	<u>13,185</u>	<u>10,104</u>

BENFLEET SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		12,613		13,134
Current assets					
Stocks	13	4		16	
Debtors	14	318		388	
Cash at bank and in hand		645		1,026	
		<u>967</u>		<u>1,430</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(588)		(663)	
Net current assets			<u>379</u>		<u>767</u>
Total assets less current liabilities			<u>12,992</u>		<u>13,901</u>
Creditors: amounts falling due after more than one year	16		(100)		(126)
Net assets before defined benefit pension scheme liability			<u>12,892</u>		<u>13,775</u>
Defined benefit pension scheme liability	20		(4,326)		(3,671)
Total net assets			<u>8,566</u>		<u>10,104</u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			12,696		13,185
- Restricted income funds			(151)		219
- Pension reserve			(4,326)		(3,671)
Total restricted funds			<u>8,219</u>		<u>9,733</u>
Unrestricted income funds	18		<u>347</u>		<u>371</u>
Total funds			<u>8,566</u>		<u>10,104</u>

The Financial Statements on pages 18 to 44 were approved by the Trustees and authorised for issue on 07 December 2020 and are signed on their behalf by:



P Hillman
Chair

Company Number 07561574

BENFLEET SCHOOLS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	21		(261)		(399)
Cash flows from investing activities					
Capital grants from DfE Group		32		564	
Purchase of tangible fixed assets		(125)		(267)	
Net cash (used in)/provided by investing activities			(93)		297
Cash flows from financing activities					
Repayment of long term loan		(27)		60	
Net cash (used in)/provided by financing activities			(27)		60
Net decrease in cash and cash equivalents in the reporting period			(381)		(42)
Cash and cash equivalents at beginning of the year			1,026		1,068
Cash and cash equivalents at end of the year			<u>645</u>		<u>1,026</u>

BENFLEET SCHOOLS 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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

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.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

Freehold land and buildings	2% Straight Line
Computer equipment	20% Straight Line
Fixtures, fittings & equipment	10% - 15% Straight Line
Motor vehicles	10% 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.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

1.13 Agency arrangements

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 27.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	32	32	564
Other donations	12	-	12	25
	<u>12</u>	<u>32</u>	<u>44</u>	<u>589</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	7,657	7,657	7,293
Other DfE group grants	-	723	723	380
	<u>-</u>	<u>8,380</u>	<u>8,380</u>	<u>7,673</u>
Other government grants				
Local authority grants	-	104	104	110
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	18	18	-
Coronavirus exceptional support	-	91	91	-
	<u>-</u>	<u>213</u>	<u>213</u>	<u>110</u>
Other funding				
Catering income	243	-	243	378
Trip income	-	53	53	160
Teaching school income	-	233	233	369
Other incoming resources	126	-	126	127
	<u>369</u>	<u>286</u>	<u>655</u>	<u>1,034</u>
Total funding	<u>369</u>	<u>8,879</u>	<u>9,248</u>	<u>8,817</u>

In responding to the coronavirus outbreak, The trust applied for ESFA grant to fund additional costs incurred for the provision of PPE, free school meal costs and additional staff costs for the summer school.

During the year, the trust also had to furlough staff whose salaries were not funded by grants. Furlough claims were submitted to and paid by HMRC.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	7	-	7	9
Transport income	-	19	19	38
	<u>7</u>	<u>19</u>	<u>26</u>	<u>47</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Expenditure on raising funds					
- Direct costs	-	-	42	42	57
Academy's educational operations					
- Direct costs	6,580	517	727	7,824	7,318
- Allocated support costs	1,129	752	518	2,399	2,287
Teaching school					
- Direct costs	-	-	197	197	311
- Allocated support costs	-	-	36	36	58
	<u>7,709</u>	<u>1,269</u>	<u>1,520</u>	<u>10,498</u>	<u>10,031</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	8	8
- Other services	9	6
Operating lease rentals	28	27
Depreciation of tangible fixed assets	646	646
Net interest on defined benefit pension liability	66	73
	<u>757</u>	<u>760</u>

Included within expenditure are the following transactions:

	2020 £
Gifts made by the Academy Trust - total	<u>471</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the year was £471 (and not £471k).

7 Central services

The company's Articles of Association enable it to operate as a Multi Academy Trust. No new academies joined the trust during the year, therefore all of the above expenditure relates exclusively to The Appleton School. On this basis, no central services were charged during the year.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	220	7,604	7,824	7,318
Teaching school	-	197	197	311
Support costs				
Educational operations	192	2,207	2,399	2,287
Teaching school	-	36	36	58
	<u>412</u>	<u>10,044</u>	<u>10,456</u>	<u>9,974</u>

Analysis of costs	Teaching school £'000	Educational operations £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Teaching and educational support staff costs	-	6,580	6,580	5,987
Staff development	-	18	18	28
Depreciation	-	517	517	519
Technology costs	-	105	105	87
Educational supplies and services	197	476	673	705
Examination fees	-	49	49	131
Educational consultancy	-	10	10	13
Other direct costs	-	69	69	159
	<u>197</u>	<u>7,824</u>	<u>8,021</u>	<u>7,629</u>
Support costs				
Support staff costs	-	898	898	853
Defined benefit pension scheme - staff costs (FRS102 adjustment)	-	231	231	230
Depreciation	-	129	129	127
Maintenance of premises and equipment	-	257	257	199
Cleaning	-	151	151	148
Energy costs	-	121	121	117
Rent, rates and other occupancy costs	-	59	59	54
Insurance	-	35	35	35
Catering	-	192	192	216
Defined benefit pension scheme - finance costs (FRS102 adjustment)	-	66	66	73
Legal costs	-	4	4	-
Other support costs	36	188	224	215
Governance costs	-	68	68	78
	<u>36</u>	<u>2,399</u>	<u>2,435</u>	<u>2,345</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	5,563	5,279
Social security costs	544	513
Pension costs	1,193	844
Defined benefit pension scheme - staff costs (FRS102 adjustment)	231	230
	<u>7,531</u>	<u>6,866</u>
Staff costs - employees	7,531	6,866
Agency staff costs	178	197
Staff restructuring costs	-	7
	<u>7,709</u>	<u>7,070</u>

Staff restructuring costs comprise:

Redundancy payments	-	7
	<u>-</u>	<u>7</u>

Staff numbers

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

	2020 Number	2019 Number
Teachers	102	93
Administration and support	138	120
Management	9	9
	<u>249</u>	<u>222</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2020 Number	2019 Number
Teachers	89	87
Administration and support	60	57
Management	9	9
	<u>158</u>	<u>153</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	4	3
£70,001 - £80,000	2	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £799,918 (2019: £736,724).

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

K Kerridge (Head Teacher):

- Remuneration £130,000 - £135,000 (2019: £120,000 - £125,000)
- Employer's pension contributions £30,000 - £35,000 (2019: £20,000 - £25,000)

During the year, expenses payments totalling £1,771 (2019: £2,070) were reimbursed or paid directly to 2 Trustees (2019: 1 Trustee). Expenses were incurred in performing the normal duties of employment.

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

11 Insurance for Trustees and officers

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy 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.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2019	15,750	122	1,046	24	16,942
Additions	-	-	125	-	125
At 31 August 2020	15,750	122	1,171	24	17,067
Depreciation					
At 1 September 2019	3,296	90	412	10	3,808
Charge for the year	521	22	101	2	646
At 31 August 2020	3,817	112	513	12	4,454
Net book value					
At 31 August 2020	11,933	10	658	12	12,613
At 31 August 2019	12,454	32	634	14	13,134

Freehold land and buildings include land of £1,894k which is not depreciated.

13 Stocks

	2020 £'000	2019 £'000
Stores of catering, stationery and uniform supplies	4	16

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	1	1
VAT recoverable	38	73
Other debtors	217	40
Prepayments and accrued income	62	274
	318	388

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Government loans	25	26
Trade creditors	87	254
Other creditors	141	-
Accruals and deferred income	335	383
	<u>588</u>	<u>663</u>

16 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Government loans	100	126
	<u>100</u>	<u>126</u>
Analysis of loans	2020 £'000	2019 £'000
Wholly repayable within five years	125	152
Less: included in current liabilities	(25)	(26)
Amounts included above	<u>100</u>	<u>126</u>
Loan maturity		
Debt due in one year or less	25	25
Due in more than one year but not more than two years	25	25
Due in more than two years but not more than five years	75	77
Due in more than five years	-	25
	<u>125</u>	<u>152</u>

In 2016/17 the trust acquired a Salix Loan for £104,000 as part of the funding for a boiler replacement project. The loan is interest free repayable over 8 years commencing from 2017/18.

A further CIF loan was granted in 2018/19 for £73,250. This loan is repayable over 6 years commencing in 2019/20 at an interest rate of 1.61%.

17 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	<u>300</u>	<u>368</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Deferred income

Deferred income at 1 September 2019	368	457
Released from previous years	(368)	(457)
Resources deferred in the year	300	368
Deferred income at 31 August 2020	300	368

Deferred income above relates to rates income of £19k (2019: £18k); trips and activities income of £28k (2019: £28k); unspent 16-19 bursary funding of £nil (2019: £9k); unspent BTSA income £253k (2019: £305k); Transport income of £nil (2019: £5k); catering income received in advance of £nil (2019: £1k); music services income of £nil (2019: £1k) and other income of £nil (2019: £1k).

18 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	219	7,657	(7,902)	(125)	(151)
Other DfE / ESFA grants	-	490	(490)	-	-
Pupil premium	-	233	(233)	-	-
Other government grants	-	213	(213)	-	-
Teaching school	-	233	(233)	-	-
Other restricted funds	-	72	(72)	-	-
Pension reserve	(3,671)	-	(297)	(358)	(4,326)
	<u>(3,452)</u>	<u>8,898</u>	<u>(9,440)</u>	<u>(483)</u>	<u>(4,477)</u>
Restricted fixed asset funds					
Transfer on conversion	7,805	-	(370)	-	7,435
DfE group capital grants	4,476	32	(176)	-	4,332
Capital expenditure from GAG and other funds	880	-	(99)	125	906
Private sector capital sponsorship	24	-	(1)	-	23
	<u>13,185</u>	<u>32</u>	<u>(646)</u>	<u>125</u>	<u>12,696</u>
Total restricted funds	<u>9,733</u>	<u>8,930</u>	<u>(10,086)</u>	<u>(358)</u>	<u>8,219</u>
Unrestricted funds					
General funds	<u>371</u>	<u>388</u>	<u>(412)</u>	<u>-</u>	<u>347</u>
Total funds	<u>10,104</u>	<u>9,318</u>	<u>(10,498)</u>	<u>(358)</u>	<u>8,566</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

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

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £12,613k (2019: £13,134k) plus the unspent element of Capital funds £208k (2019: £203k), less the balance on capital (Salix/CIF) loans of £125k (2019: £152k). When assets are purchased and/or the loan is repaid, the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	87	7,293	(7,410)	249	219
Other DfE / ESFA grants	7	140	(147)	-	-
Pupil premium	6	240	(246)	-	-
Other government grants	5	110	(115)	-	-
Teaching school	-	369	(369)	-	-
Other restricted funds	89	198	(287)	-	-
Pension reserve	(2,868)	-	(303)	(500)	(3,671)
	<u>(2,674)</u>	<u>8,350</u>	<u>(8,877)</u>	<u>(251)</u>	<u>(3,452)</u>
Restricted fixed asset funds					
Transfer on conversion	8,175	-	(370)	-	7,805
DfE group capital grants	4,276	564	(176)	(188)	4,476
Capital expenditure from GAG and other funds	1,040	-	(99)	(61)	880
Private sector capital sponsorship	25	-	(1)	-	24
	<u>13,516</u>	<u>564</u>	<u>(646)</u>	<u>(249)</u>	<u>13,185</u>
Total restricted funds	<u>10,842</u>	<u>8,914</u>	<u>(9,523)</u>	<u>(500)</u>	<u>9,733</u>
Unrestricted funds					
General funds	<u>340</u>	<u>539</u>	<u>(508)</u>	<u>-</u>	<u>371</u>
Total funds	<u>11,182</u>	<u>9,453</u>	<u>(10,031)</u>	<u>(500)</u>	<u>10,104</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

Total funds analysis by academy

	2020 £'000	2019 £'000
Fund balances at 31 August 2020 were allocated as follows:		
The Appleton School	196	590
Total before fixed assets fund and pension reserve	196	590
Restricted fixed asset fund	12,696	13,185
Pension reserve	(4,326)	(3,671)
Total funds	<u>8,566</u>	<u>10,104</u>

The company's Articles of Association enable it to operate as a Multi Academy Trust. No new academies joined the trust during the year, therefore all funds quoted above relate exclusively to The Appleton School.

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000	Total 2019 £'000
The Appleton School	6,581	898	670	1,405	9,554	9,385
	<u>6,581</u>	<u>898</u>	<u>670</u>	<u>1,405</u>	<u>9,554</u>	<u>9,385</u>

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	12,613	12,613
Current assets	347	537	83	967
Creditors falling due within one year	-	(588)	-	(588)
Creditors falling due after one year	-	(100)	-	(100)
Defined benefit pension liability	-	(4,326)	-	(4,326)
Total net assets	<u>347</u>	<u>(4,477)</u>	<u>12,696</u>	<u>8,566</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	13,134	13,134
Current assets	371	856	203	1,430
Creditors falling due within one year	-	(637)	(26)	(663)
Creditors falling due after one year	-	-	(126)	(126)
Defined benefit pension liability	-	(3,671)	-	(3,671)
Total net assets	371	(3,452)	13,185	10,104

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at the end of the financial year (2019: £nil).

Teachers' Pension Scheme

Introduction

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

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

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.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration 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
- 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return 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 the TPS in the period amounted to £925k (2019: £600k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.1% to 24.1% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2020	2019
	£'000	£'000
Employer's contributions	268	244
Employees' contributions	67	64
Total contributions	<u>335</u>	<u>308</u>

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.06	1.85
RPI Increase	3.05	3.20
CPI Increase	<u>2.25</u>	<u>2.20</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

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

	2020	2019
	Years	Years
Retiring today		
- Males	21.80	21.30
- Females	23.80	23.60
Retiring in 20 years		
- Males	23.20	23.00
- Females	25.20	25.40

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020	2019
	£'000	£'000
Discount rate + 0.1%	7,410	6,245
Discount rate - 0.1%	7,795	6,555
Mortality assumption + 1 year	7,887	6,648
Mortality assumption - 1 year	7,324	6,158
Salary rate + 0.1%	7,618	6,417
Salary rate - 0.1%	7,582	6,380
Pension rate + 0.1%	7,775	6,535
Pension rate - 0.1%	7,429	6,264

Defined benefit pension scheme net liability

Scheme assets	3,274	2,727
Scheme obligations	(7,600)	(6,398)
Net liability	(4,326)	(3,671)

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

	2020	2019
	Fair value	Fair value
	£'000	£'000
Equities	2,029	1,719
Gilts	140	150
Other Bonds	183	153
Cash	89	80
Property	254	218
Other assets	579	407
Total market value of assets	3,274	2,727

The actual return on scheme assets was £76,000 (2019: £201,000).

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	497	406
Past service cost	-	68
Interest income	(53)	(64)
Interest cost	119	137
Administration expenses	2	-
Total operating charge	<u>565</u>	<u>547</u>

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	6,398
Current service cost	497
Interest cost	119
Employee contributions	67
Actuarial loss	569
Benefits paid	(50)
At 31 August 2020	<u>7,600</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £'000
At 1 September 2019	2,727
Interest income	53
Actuarial gain	211
Employer contributions	268
Employee contributions	67
Benefits paid	(50)
Effect of non-routine settlements and administration expenses	(2)
At 31 August 2020	<u>3,274</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Reconciliation of net expenditure to net cash flow from operating activities		
	2020	2019
	£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,180)	(578)
Adjusted for:		
Capital grants from DfE and other capital income	(32)	(564)
Defined benefit pension costs less contributions payable	231	230
Defined benefit pension scheme finance cost	66	73
Depreciation of tangible fixed assets	646	646
Decrease in stocks	12	2
Decrease/(increase) in debtors	70	(236)
(Decrease)/increase in creditors	(74)	28
Net cash used in operating activities	<u>(261)</u>	<u>(399)</u>

22 Analysis of changes in net funds			
	1 September	Cash flows	31 August
	2019		2020
	£'000	£'000	£'000
Cash	1,026	(381)	645
Loans falling due within one year	(26)	1	(25)
Loans falling due after more than one year	(126)	26	(100)
	<u>874</u>	<u>(354)</u>	<u>520</u>

23 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£'000	£'000
Amounts due within one year	21	26
Amounts due in two and five years	1	22
	<u>22</u>	<u>48</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Capital commitments

	2020 £'000	2019 £'000
Expenditure contracted for but not provided in the Financial Statements	128	160

The capital commitment at 31 August 2020 represent boiler works £11k, swimming pool works £68k, a windows project £15k and various other capital projects £34k.

The capital commitment at 31 August 2019 shown above related to the anticipated future costs for the asbestos removal project.

25 Related party transactions

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

Income of £14,920 (2019: £390) and expenditure of £14,344 (2019: £34,327) took place with Takely Education Trust, an academy trust that operates Woodlands School (a charitable company incorporated in the UK, - England and Wales - company number 09451372). This is a related party by virtue of the fact Benfleet Schools Trust is a member of Takely Education Trust. No balances were outstanding at the balance sheet date.

In entering into the transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook 2019.

26 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.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £19,525 (2019: £38,768) and disbursed £28,880 (2019: £29,413) from the fund. An amount of £nil (2019: £9,355) is included within creditors: amounts falling due within one year.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

28 Teaching school trading account

	2020		2019	
	£'000	£'000	£'000	£'000
Direct income				
Other external funding		233		369
Direct costs				
Educational supplies and services	197		311	
Other costs				
Other support costs	36		58	
Total operating costs		(233)		(369)
Surplus from teaching school		-		-
Teaching school balances at 1 September 2019		-		-
Teaching school balances at 31 August 2020		-		-

The Benfleet TSA is run in partnership with The King John School and Kingston Primary School. The unspent balance at the end of the year has been included with creditors and detailed in note 18.