

Company Registration No. 08335073 (England and Wales)

LDBS FRAYS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

LDBS FRAYS ACADEMY TRUST

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LDBS FRAYS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Bishop of Willesden
I Woolf
R Young
K Buckler

Trustees

A Brett
K Buckler (Chair of Trustees)
C Cole (Executive Headteacher & Accounting Officer)
J Duncan
I Woolf
S Carroll
G Walker

Senior management team

- Head Teacher - Cowley St Laurence	D Davies
- Head Teacher - St. Matthew's	L Maher
- Head Teacher - Laurel Lane	S Voisey
- Head Teacher - St Martin's	J Coates
- Head Teacher - Beechwood	S Hunter
- Head Teacher - Keep Hatch	C Appleby
- Chief Operating Officer	J Gaffney
- Chief Executive/Executive Headteacher	C Cole
- Head Of Finance	R Ahmad

Company secretary

C Mosdell

Company registration number

08335073 (England and Wales)

Principal and registered office

Cowley St Laurence C of E Primary School
Worcester Road
Cowley
Uxbridge
Middlesex
UB8 3TH

Academies operated

Cowley St Laurence CofE Primary School
Laurel Lane Primary School
St Martin's CofE Primary School
St Matthew's CofE Primary School
Beechwood Primary School
Keep Hatch Primary School

Location

Cowley
West Drayton
West Drayton
Yiewsley
Reading
Wokingham

Heads of School

D Davies
S Voisey
J Coates
L Maher
S Hunter
C Appleby

Independent auditor

Alliotts LLP
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

LDBS FRAYS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Winkworth Sherwood
Minerva House
Montague Close
London
SE1 9BB

LDBS FRAYS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Frays Academy Trust (from here known simply as the Trust) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of LDBS Frays Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Frays Academy Trust. 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.

As at 31 August 2021 the Trust was made up of 6 academies. Cowley St Laurence Primary School and St Matthew's Primary School converted to academies on 1 February 2013 and were joined by Laurel Lane Primary School on 1 April 2013. St Martin's Primary School joined the Trust as a newly opened academy on 1 September 2015. The Trust also operates a 2-year-old provision within Laurel Lane called The Pond and a Special Resource Provision, "The Oasis", within St Martin's Primary School. Beechwood Primary School converted to an academy and joined the Trust on 1 September 2019 and on the 1st of January 2021 Keep Hatch Primary School converted to an academy and the Trust. The academies provide high quality education to children of primary school age in Cowley, Yiewsley, West Drayton and Wokingham in accordance with the Trust's objective as set out in its Articles of Association.

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 taken out professional indemnity insurance which provides cover for Trustees (Directors) and Governors regarding liabilities arising from acts of neglects, errors and/or omissions committed in good faith. Such qualifying third party indemnity insurance remains in force at the date of approving this report.

Method of recruitment and appointment or election of Trustees

The number of Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The members shall appoint such number of Trustees as they decide, provided they appoint at least two Trustees. The Trustees shall appoint one Trustee who is a member of the clergy in the Church of England.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new governors and Trustees is in accordance with our policies. Where necessary, training is provided by independent companies depending on the need. Governors' training sessions are held regularly throughout the school year.

All new governors and Trustees are given a tour of the Trust academies and a chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budget plans and other documents that they need to undertake their role as governors.

Organisational structure

See Appendix 2 - Organisational Structure for details of our governing structure how our teaching and learning is led and our management structure.

LDBS FRAYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

The Trust's policies on Pay and Appraisal detail very clearly the process for setting performance management targets, the review of those targets and pay aligned to the performance reviews. Line managers are responsible for the review of the performance and pay of individual staff and the Board of Trustees are responsible for reviewing the performance of the Executive Headteacher. A Pay Committee has been established across the Trust to receive reports from senior leaders in order to scrutinise reasons for pay progression and consider supporting evidence. Schools HR Co-operative provides advice, guidance and support to the Trust when setting salaries. The Trust continues to operate from the School Teachers Pay and Conditions and, for support staff, the National Joint Council (NJC) pay conditions.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

2.00

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

2

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

10,401,132

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

Related parties and other connected charities and organisations

The Trust is affiliated with the London Diocese Board of Schools (LDBS) and buys in/receives support from both the LDBS and the London Borough of Hillingdon. The Trust also provides support to outer borough schools in the areas of curriculum development, staff training and raising standards through the CEO's role.

Objectives and activities

Objects and aims

The Trust's objectives, as set out in its Articles of Association, are specifically restricted to the following: to advance education for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies. To offer a broad and balanced curriculum. Any academy which is designated as having a Church of England character shall offer a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular for religious education and daily acts of worship (as required by the Funding Agreement). Also in having regard for the advice and considering directives issued by the London Diocesan Board for Schools.

Objectives, strategies and activities

The vision is for each of the schools in the Trust to become Outstanding.

LDBS FRAYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Frays Academy Trust is a Church of England multi-academy trust affiliated to the London Diocesan Board for Schools (LDBS), the educational arm of the Diocese of London. The Trust is committed to delivering excellent primary education for children in Cowley, Yiewsley, West Drayton and Wokingham and to enabling our children, their families and our staff to flourish and realise their God-given potential. Our founding principles are Christian, based on the teachings of Jesus and the core belief that every person is loved and accepted by God, uniquely created in his image and given gifts and talents to be nurtured. The Bible (Proverbs 22 v6) states 'Train a child in the way they should go; even when they are old they will not depart from it.'

We will realise these principles in an inclusive and open way, and we welcome both church schools and schools without a religious foundation into full membership of the Trust. In all our academies, every child will be given the opportunity to flourish in a healthy, safe and secure environment and to have their individual skills, talents and spiritual development nourished so that they bloom and prosper.

The Trust will enable all pupils to achieve and develop the skills, knowledge and understanding necessary for Secondary Education and beyond. The Trust will inspire excellence through high quality leadership, good and outstanding teaching as well as a highly creative curriculum. The learning culture within each Trust academy will inspire children to succeed academically and encourage pupils to aspire to reach their full potential.

At the foundation of our vision is a commitment to providing the highest quality, individualised, professional development for staff. The Trust will invoke high quality leaders of learning in order to provide an enriched curriculum for our pupils of today and tomorrow.

Within each academy in the Trust there are specific values, which are reviewed annually. The overall values of the Trust are:

- Equality to ensure that all pupils receive an outstanding education;
- Openness to be willing to adapt and change to respond to the needs of the school community;
- Honesty to critically evaluate leadership and teaching to ensure that the best possible provision can be developed in the Trust academies;
- Responsibility and accountability to ensure that leaders have high aspirations for all pupils in our Trust academies;
- Challenge to test our educational thinking to understand that there are always routes to improving provision within our academies;
- Partnership and support to enable all our academies to work jointly together, to critically analyse our work and support School Improvement.

Our Trust will support learners to reach and exceed expected standards of attainment and will be a leader of educational change in the wider community.

Aims

Our learners will:

- achieve high expectations;
- understand and celebrate the diversity of their community;
- develop resilience and a love of learning; and
- take an important role in being a positive impact on their community.

Our staff will:

- dedicate themselves to achieving the best outcomes for all learners;
- have a clear understanding of their roles and responsibilities and be accountable for their impact;
- develop their skills and knowledge in pursuit of the highest standards; and
- work together to develop outstanding practice.

LDBS FRAYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our leaders will:

- deploy their resources to secure best value and high outcomes for pupils;
- adopt robust ways of tracking the progress of pupils;
- support and challenge their teams to achieve sustained and sustainable improvement;
- be highly effective leaders of teaching and learning; and
- set high expectations for teaching and learning and expect all pupils and staff to achieve challenging targets.

Our schools will:

- have an inspiring curriculum;
- deliver teaching and learning that is consistently good and outstanding;
- raise levels of attainment and aspiration for all, which is above the national expectations;
- be supportive and create a caring environment for staff, learners and their families;
- have an inclusive, high quality learning environment;
- maintain safe environments where adults are dedicated to protecting the rights of pupils to a high quality education and life chances.

Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

See Appendix 1: Trustees' report - performance of schools in LDBS Frays Academy Trust.

Going concern

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

Financial review

The Trust showed Net Income for the Year of £7,152,077 income, which included the donation transfer of net assets from Keep Hatch Primary School of £8,299,510 on joining the academy trust on the 1st January 2021. Without the introduction of Keep Hatch, the result was a deficit of £1,147,433 (2020 £441,134 deficit) before the actuarial loss of £1,654,000 (2020 £572,000) relating to the Local Government Pension Schemes. Taking into consideration the amount of £793,000 charged to the LGPS pension schemes at the year end and depreciation charges of £334,209, this would leave a net position of £20,224 deficit on unrestricted and general restricted activities.

The overall Net Movement in Funds was £5,498,077 (2020: £852,000).

The total income of the Trust was £20,437,355 (2020: £11,294,384).

Most of the Trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of grants. The grants received from the DfE and other government bodies during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Principal revenue funding from the ESFA amounted to £10,388,990 (2020: £8,819,144) and revenue funding from the London Borough of Hillingdon & Wokingham Borough Council amounted to £1,224,193 (2020: £1,704,280).

LDBS FRAYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

A high percentage of this funding is spent on wages and salaries and support costs to delivery the academies' primary objective of the provision of education.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Academies Accounts Direction such grants are shown in the statement of financial activities as restricted income within the fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful economic life of the assets concerned. Capital grants received from the ESFA were £343,363 (relating to £47,431 DFC & £261,100 Condition Improvement Fund (CIF)) (2020: £504,068). The related expenditure was treated as major buildings repairs and maintenance.

The Trust also received a brought forward capital balance of £34,831 from Wokingham Borough Council in relation to Keep Hatch Primary School.

Reserves policy

The Trust available reserves (including unrestricted & restricted funds) position is £2,662,036. This is primarily a historical reserve, that has been built up over the years to meet the increasingly changing financial climate we are in.

The reserves policy addresses the following risks:

- Falling pupil's numbers within 3 schools in Hillingdon. The pupil numbers have fallen by 43 in one school which equates to a reduction of income of £147,576. Forecasting forward with this trend predicted to continue.
- The increase in pupils with SEN who receive no funding, however need 1:1 support.
- One school with diseconomies funding is due to end in 2021 and pupil number predictions show a downturn in number.
- The Local Authority Minimum Funding Guarantee (MFG) slowly decreasing over the years.

Other factors effecting the reserve level are:

- Capital projects which may require the Trust to use reserves for the increasingly higher contributions to ensure funding applications are successful.
- Schools joining the Trust come across with very minimum reserves.

As at 31 August 2021 the Trust had total funds of £16,007,324. This comprised £22,287,288 in restricted fixed assets funds, a negative restricted pension deficit in respect of the LGPS of £8,902,000, and £2,622,036 of available reserves (being the amount of restricted general funds of £1,140,164 and unrestricted free reserves of £1,481.872).

The policy of the Trust is to accumulate reserves to cover the following key areas:

- planned capital expenditure in excess of capital funding;
- to meet the Trust's asset management plans for the following two years;
- a contingency for income protection to ensure the Trust has a balanced budget in year and for following years for all the Trust schools. The medium term financial plan is that no school will have in-year deficits going forward.

Investment policy

Under its Articles of Association, the Trust has the power to invest any funds not immediately required for the furtherance of its objects while ensuring that due regard is made to ensure that any investments are prudent and suitable to its needs.

The Trust seeks to avoid risk rather than maximise return, the Trust places some surplus funds in a 32 days' notice deposit account.

LDBS FRAYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The Trust maintains a risk register identifying the major risks to which it is exposed and identifying actions and procedures to mitigate those risks. This register and actions arising from it are monitored by the Audit Committee.

The Trust's reports that the financial and internal controls conform to guidelines issued by the Education & Skills Funding Agency (ESFA) and that improvements to the wider framework of systems dealing with business risk management strategy continue to be made and formally documented.

The Trust assesses the principal risks and uncertainties as follows:

- Staff retention: the Trust is proactive in staff development and retention and uses both staff survey feedback and exit interview data to inform improvements.
- Material decreases in income affecting provision. The budget meets needs with further work planned to increase efficiencies, the Trust cash flow is healthy and long-term planning predicts it will remain so.
- To ensure admission places are filled throughout the year. Continuous marketing of places and the new school (St Martin's) is monitored regularly.

The Trust monitors financial performance through its monthly Board meetings and termly sub committees.

The Head of Finance carries out additional scrutiny of financial data on a monthly basis.

Each Federated Governing Body has a Finance & Resource Committee (F&R) which meets on a termly basis, whose remit includes the maintenance of sufficient reserves to meet projected expenditure. In view of the short term budget, the reserves reflect a healthy position.

The Trust has planned more resources and development for the Central Unit but also investment into the individual academies to attain higher achievements for the future.

The Trust provides access to two pension schemes for staff: Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The TPS is a centrally managed scheme, where the government are responsible for any deficits; the LGPS is administered locally. For both TPS & LGPS there is a risk that remains for the Trust. The percentage contributions can rise following a three year valuation carried out by LGPS actuaries.

The LGPS scheme is in deficit and to reduce this deficit the Trust has set its employer contribution rate at ranging from 20.60% to 23.70% which would be expected to fund the deficit in approximately 15 years.

Our pension liability, valued in line with FRS 102, continues to cause concern for the Trust as it does with all other academies in the UK. Note 19 to the accounts explains these commitments more clearly and shows that at 31 August 2021 there was a potential deficit of £8,902,000.

Covid-19

The impact of Covid-19 has been covered in the Governance Statement.

Fundraising

The academy trust does not use any external fundraisers.

LDBS FRAYS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Trust Board has agreed a robust 3 year strategy plan for 2021-23 areas and this is set out in the Trust Strategic Plan. The strategic plan for 21/22 is very detailed and reported on at Board meetings.

The Strategic plan identifies the following aims:

- By 2022, the Frays Academy Trust will provide 2,740 high quality primary school places for pupils aged 3 to 11 in the six schools currently in the Trust. The provision will allow for all pupils to make outstanding progress.
- The Early Years Foundation Stage in each school including in the provision for two year olds, will be 'Centres of Excellence', which will enable the lowest attaining pupils to leave the early years ready prepared for Key Stage 1.
- The Trust is considering offering Secondary places.
- By the beginning of September 2022, the Trust will consider 1 school joining.

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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7/12/2021 and signed on its behalf by:



.....
K Buckler

Chair of Trustees

LDBS FRAYS ACADEMY TRUST

APPENDIX 1: TRUSTEES' REPORT – PERFORMANCE OF SCHOOLS IN LDBS FRAYS ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

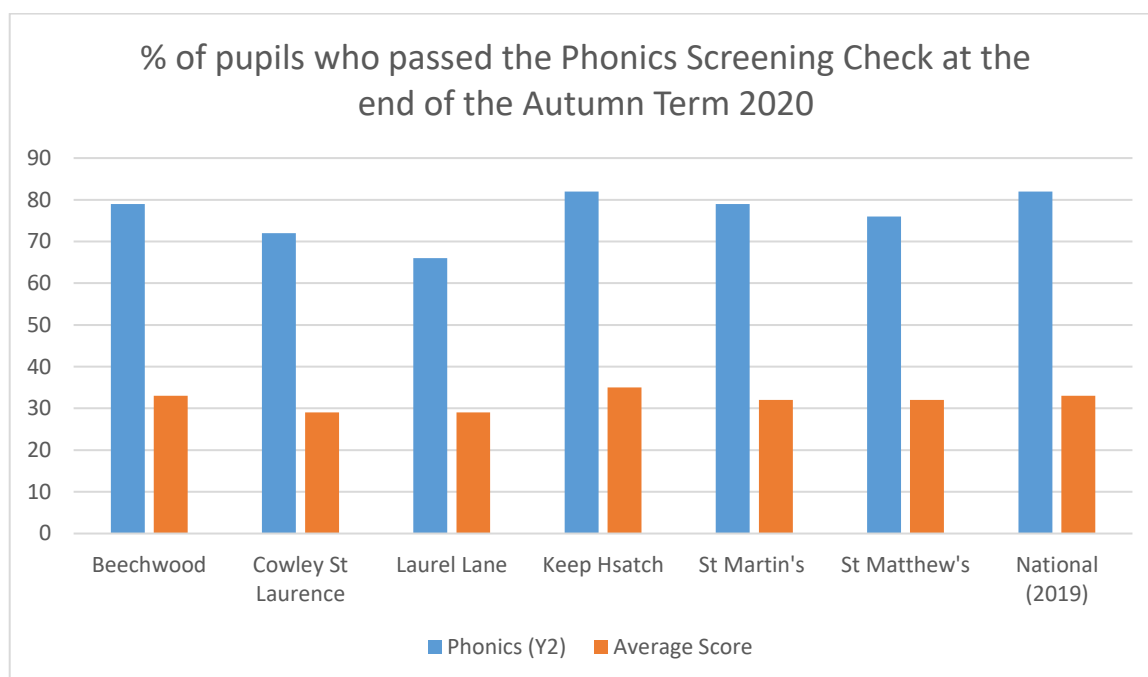
Section 1: Trust Outcomes

During 2020-21, the requirement to undertake statutory testing and assessments was suspended as a result of the current Covid-19 pandemic. The only data that we were required to report to the DfE was on the % of pupils who passed their Phonics Screening Check in December 2020 and this information is shown below.

Whilst schools undertook teacher assessments across all subject areas and year groups, the DfE lifted the requirement to report on any teacher assessment. Teacher assessments were moderated at school level and with support from the central team. However, they were not moderated more widely outside of the Trust and the usual robust approach that Frays dedicates towards moderation as this was largely due to the restrictions in place.

Phonics

Table below shows % of pupils across each school in passing the Phonics Screening Check. There is currently an absence of national data and so this report includes data from 2019 to give a context around the national average:



The phonics national average for 2019 for the screening checks was 82% and the average score was 33.8. Four schools were close to the national average for 2019 and 3 schools had significantly improved the number of pupils passing on previous years.

LDBS FRAYS ACADEMY TRUST

APPENDIX 1: TRUSTEES' REPORT – PERFORMANCE OF SCHOOLS IN LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Section 2: Quality of Education

Progress of pupils during the Spring Term School Closure

Pupils made much stronger progress in Spring Term 2021 during the 2nd school closure. Moderated teacher assessments demonstrated:

- In each school in Y6 and across Reading, Writing and Maths, pupils made on average more than expected progress.
- There was a mixed picture of progress across Y5 and Y1 in schools
- Stronger progress in Y2, Y3 and Y4 in schools
- There was also greater evidence of stronger progress in Writing, particularly where schools had a focus on improving Writing

The following actions made a positive impact on progress during the lockdown:

- Improved approaches to Remote Education. The Trust facilitated regular meetings with Headteachers to support the development of Remote Learning policies and approaches to delivering the curriculum
- Development of 'live' teaching across an IT platform
- Systems to ensure that pupils engaged in their learning throughout the lockdown
- Higher expectations established with staff on providing feedback to pupils on their work
- Improved rates of attendance; more pupils attended school on site as a result of being in a family with a Key-Worker
- Interventions established in September 2020 through the 'Catch-up Premium', such as Lexia Reading, continued to be used during the school closure

Progress of pupils across year (measured on teacher assessment)

Y6 Pupils

As a result of improved rates of progress, 3 out of 5 schools were able to demonstrate through teacher assessments that pupils had made expected progress since their starting points in Y2 and had caught up on lost-learning.

Other year groups

On average, pupils in Y1 to Y5 made expected progress and in the following year groups pupils made stronger progress, demonstrating that they are catching up:

- Y5: 5 out of 6 schools
- Y4: 3 schools out of 6 schools
- Y3: 3 schools 3 schools out of 6 schools
- Y2: 4 schools out of 6 schools
- Y1: 4 schools out of 6 schools

Teaching and Learning

During the school closure, the Trust was not able to measure the impact of professional development on outcomes for pupils. During the summer term, and as a result of some of the lifting of restrictions, the Trust was able to get a stronger view of the quality of teaching and learning in schools. In summary the following sets out the strengths in quality of teaching and learning across the Trust:

Shared strengths:

- Classroom organisation that supports learning
- Behaviour management with little behaviour that impedes learning
- Positive relationships with children leading to positive attitudes of children towards school and learning
- Positive and purposeful ethos in all schools
- Use of the phonics scheme and adherence to structure and guidance
- Talk partner work that enables children to work together and think through learning

Since the summer term, there has been clear evidence of significant improvement in all schools in the quality of teaching and learning. 3 schools were able to improve their grade in their self-evaluation to 'Good' and other schools had shown significant improvement.

LDBS FRAYS ACADEMY TRUST

APPENDIX 1: TRUSTEES' REPORT – PERFORMANCE OF SCHOOLS IN LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Curriculum

In January, the Trust monitored the development of the curriculum through a desktop auditing process and found:

Shared strengths:

- Schools tend to have a whole school curriculum overview supported by medium term plans for each year group and individual '3 I' statements for each subject.
- Leaders, particularly senior leaders, are clear about the intent, implementation and desired impact of their school's curriculum.
- There has been good work carried out with the aim of sharing the curriculum with all stakeholders and all school staff have been involved in curriculum design in some cases.
- Some CPD has already been allocated to a shared knowledge of the whole school curriculum.
- There has been an increased emphasis on high quality texts to support the wider curriculum.
- The values of the Trust are well supported by the curriculum in individual schools.
- English and Maths are taught well and there is a clear recognition that teaching in other subject areas needs to match this and also requires modelling and support.
- Thought has been given to how to develop subject leaders of non-core subjects and their role in supporting the whole school curriculum and individual school T&L monitoring cycles.
- There is a drive to see the curriculum delivered in a creative, contextual and engaging way so that it becomes a 'learning experience' rather than a series of separate subjects.

SEND Provision and Outcomes

The % of SEND pupils in the Trust is above the national average, especially in KS1. The Trust undertook the monitoring of provision for SEND pupils in the summer term and identified the following:

Shared strengths:

- All schools are meeting their statutory duties, as outlined in the SEND CoP. School leaders are knowledgeable on SEND policy and practice.
- All schools have a genuine commitment to pupils with SEND and strive to do their absolute best for them both academically and socially. There is a strong inclusive ethos across the Trust.
- SENDCOs are, overall, highly skilled, knowledgeable and proactive in developing provision across the school.
- The graduated approach is working well across the trust and is evidenced within provision mapping.
- Learning plans, that match needs are in place for all pupils with SEND and these are shared with parents.
- Pupil's needs are identified quickly and signposted to support or diagnostic assessment in a timely fashion.
- Wellbeing and mental health has been a priority for all schools across the Trust and this has ensured that all Frays pupils have access to support, should they need it.

Section 3: Safeguarding

The Trust has continued to ensure high priority has been placed on safeguarding of children. In response to this, the following has been either introduced or implemented during the year:

- Safeguarding Policy has been revised to take account of the changes introduced
- Governors in the Trust have completed training on Safeguarding
- All Governors have signed to state they have read part one of the 'Keeping Children Safe in Education' 2016 statutory guidance.
- Each school's Single Central Record has been updated to reflect best practice and has been checked on a termly basis for compliance
- Each Governing Body monitors the implementation of the Safeguarding Policy on a termly basis. A full Safeguarding audit and report is put together on a termly basis, which is submitted to the Board of Directors. Each Governing Body has appointed a Safeguarding Governor who has received specific training from the leaders in the Trust

During the Spring Term, the trust undertook reviews of Safeguarding in all schools and with follow up visits in the Summer Term. All schools were judged as being compliant with Keeping Children Safe in Education and the Trust policies that sets expectations for strong Safeguarding ethos within our schools. The monitoring work found the following:

LDBS FRAYS ACADEMY TRUST

APPENDIX 1: TRUSTEES' REPORT – PERFORMANCE OF SCHOOLS IN LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Shared strengths:

- All schools are compliant with Keeping Children Safe in Education and the Frays Policies underpinning this
- All schools have compliant Single Central Records
- Team approach to leading and managing Safeguarding in schools
- Management of the Single Central Record
- Staff training and induction
- Training for DSLs and Deputy DSLs
- Hillingdon schools have developed strong partnerships with the Local Authority
- Management of the admissions process in Hillingdon schools to ensure that pupils do not go 'missing' in education
- Management of health and safety in reducing risks on site
- Management of visitors on site
- All schools have a nominated Governor responsible for Safeguarding
- Record-keeping – most schools are making use of 'Edukey' – an electronic recording system

We identified the following as being strong practice:

- Use of mini Safeguarding reviews when concerns have been raised to develop a learning log and consider future training for staff
- Safeguarding as a 'standing' agenda item at all SLT meetings
- Individualised 1:1 training for staff by the DSL where a gap in knowledge has been identified
- Frequent 'signing off' of the Single Central Record by the Headteacher
- Links with the National College to provide training over and above what is offered by Frays and the Local Authority

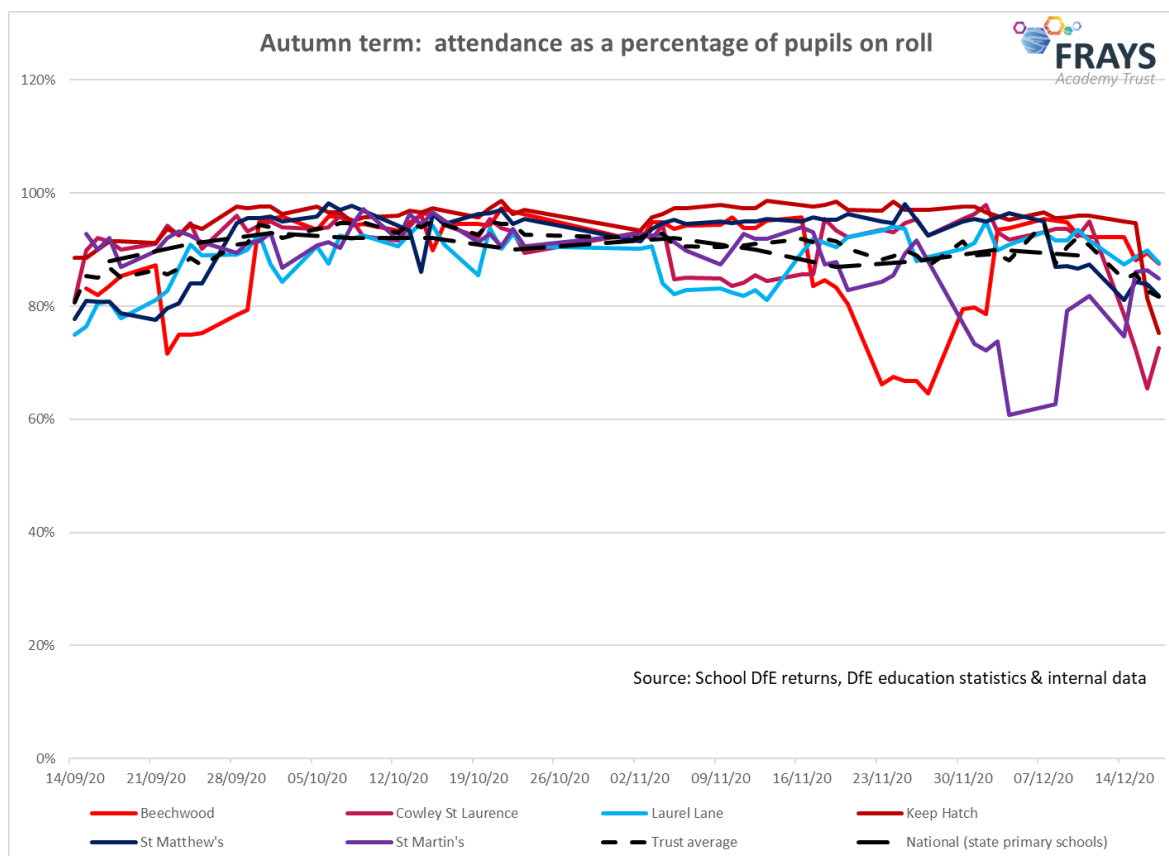
LDBS FRAYS ACADEMY TRUST

APPENDIX 1: TRUSTEES' REPORT – PERFORMANCE OF SCHOOLS IN LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Section 4: Attendance

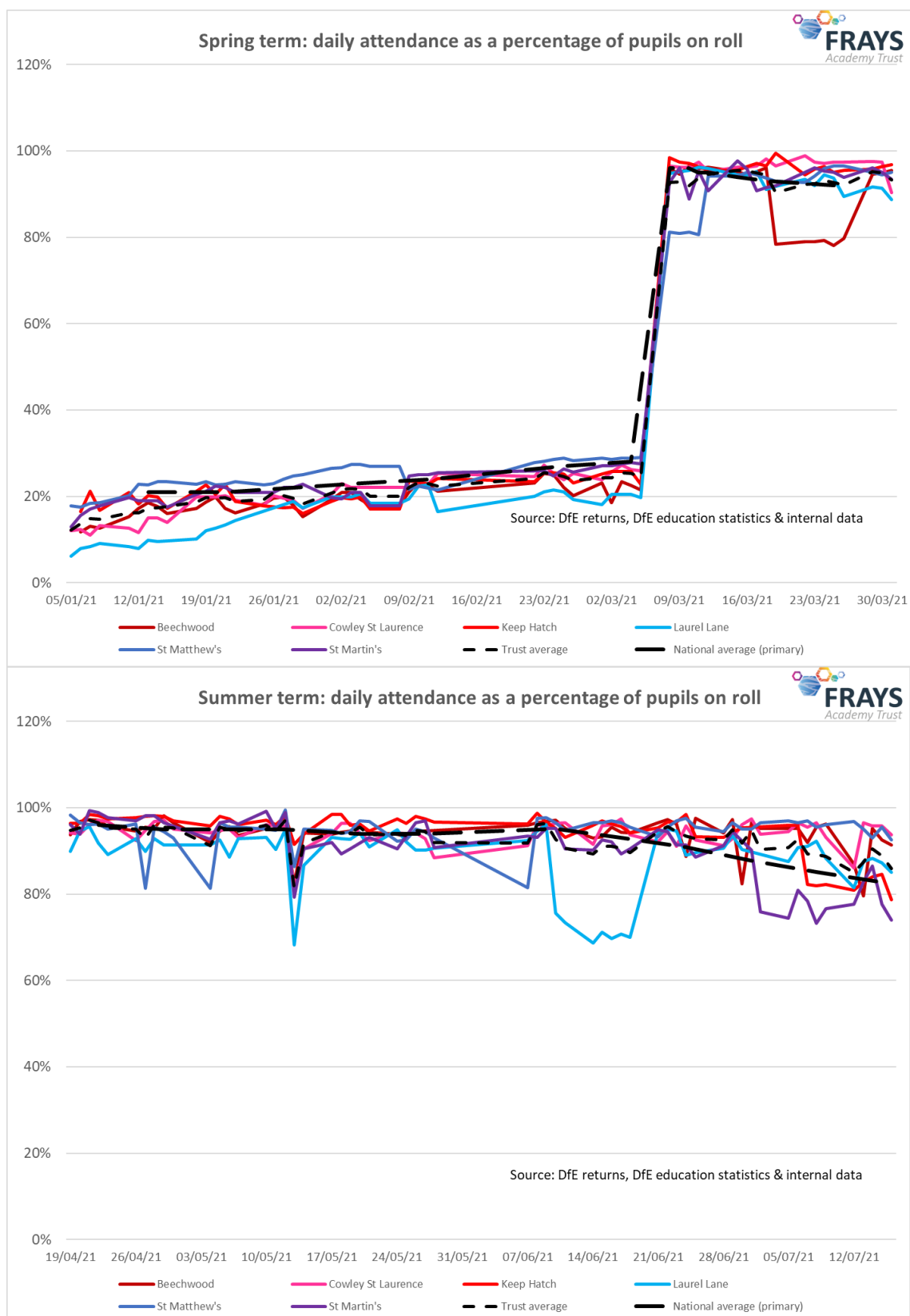
The Trust monitored attendance of all schools on a weekly basis and matched against the national average. Overall, attendance was at least in line with the national fortnightly averages and often above as shown in the table below:



LDBS FRAYS ACADEMY TRUST

APPENDIX 1: TRUSTEES' REPORT – PERFORMANCE OF SCHOOLS IN LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021



LDBS FRAYS ACADEMY TRUST

APPENDIX 1: TRUSTEES' REPORT – PERFORMANCE OF SCHOOLS IN LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Section 5: Growth

Keep Hatch Primary School joined Frays on 1st January 2021 and a 100-day integration plan was created to align the school with Frays.

Section 6: Performance Management in the Trust

The Trust's policies on Pay and Appraisal detail very clearly the process for setting performance management targets, the review of those targets and the pay aligned to the performance reviews. Line managers are responsible for the review of performance and pay of individual staff and the Board of Directors are responsible for review of performance of the Executive Headteacher. A Pay Committee has been established across the Trust to receive reports from senior leaders in order to scrutinise reasons for pay progression and consider supporting evidence. Schools HR Co-operative provide advice, guidance and support to the Trust when setting salaries. The Trust continue to operate from the School Teachers Pay and Conditions.

Section 7: Support for leaders during the Covid-19 Pandemic

The Trust's leadership of its COVID strategy has ensured that all school leaders have been provided with the relevant information and appropriate support to face the many operational challenges head on. Regular meetings with the senior leadership team across the Trust have ensured that Headteachers have been prepared in leading and managing their schools during the pandemic. Support and advice has included:

- The mandatory closure of schools
- Partial closing of schools through closure of 'bubbles'
- Preparation for full opening of schools in March 2021
- The full opening of schools in March 2021
- The monitoring of attendance data of staff and pupils
- Development of the Covid-19 risk assessment and numerous revisions
- The development of well-being across the Trust
- The development of Remote Learning Policies with schools and sharing of best practice
- Support in ensuring that IT systems work effectively to provide online learning platforms
- Continuous support in managing of Covid in schools by advising on management outbreak plans
- Support for schools in mitigating risks in regards to the purchasing of services
- Supporting schools in re-establishing educational trips and visits
- The development of DSLs through half term Trust Safeguarding meetings

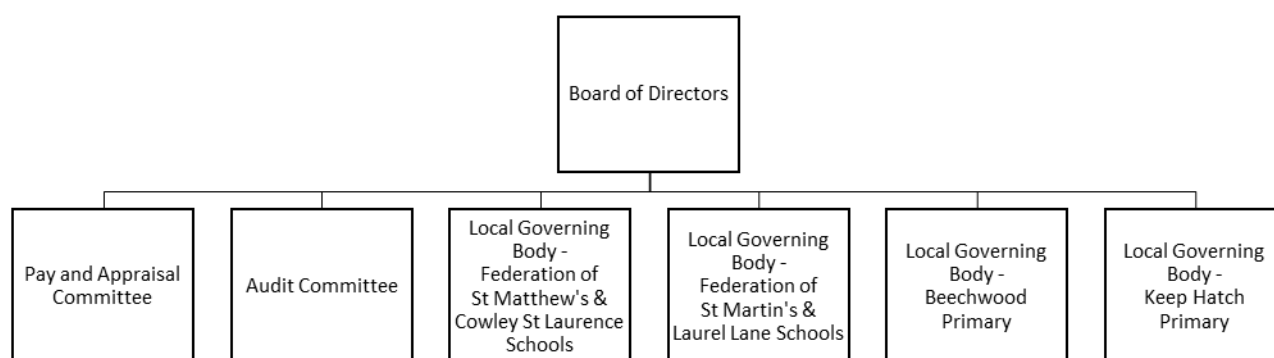
Throughout this pandemic in addition to the safety and well-being of the families and staff that the Trust serves we have maintained educational opportunities for all children and worked with schools to ensure that a recovery curriculum is in place.

LDBS FRAYS ACADEMY TRUST

APPENDIX 2: TRUSTEES' REPORT – ORGANISATIONAL STRUCTURE

FOR THE YEAR ENDED 31 AUGUST 2021

Governance Arrangements

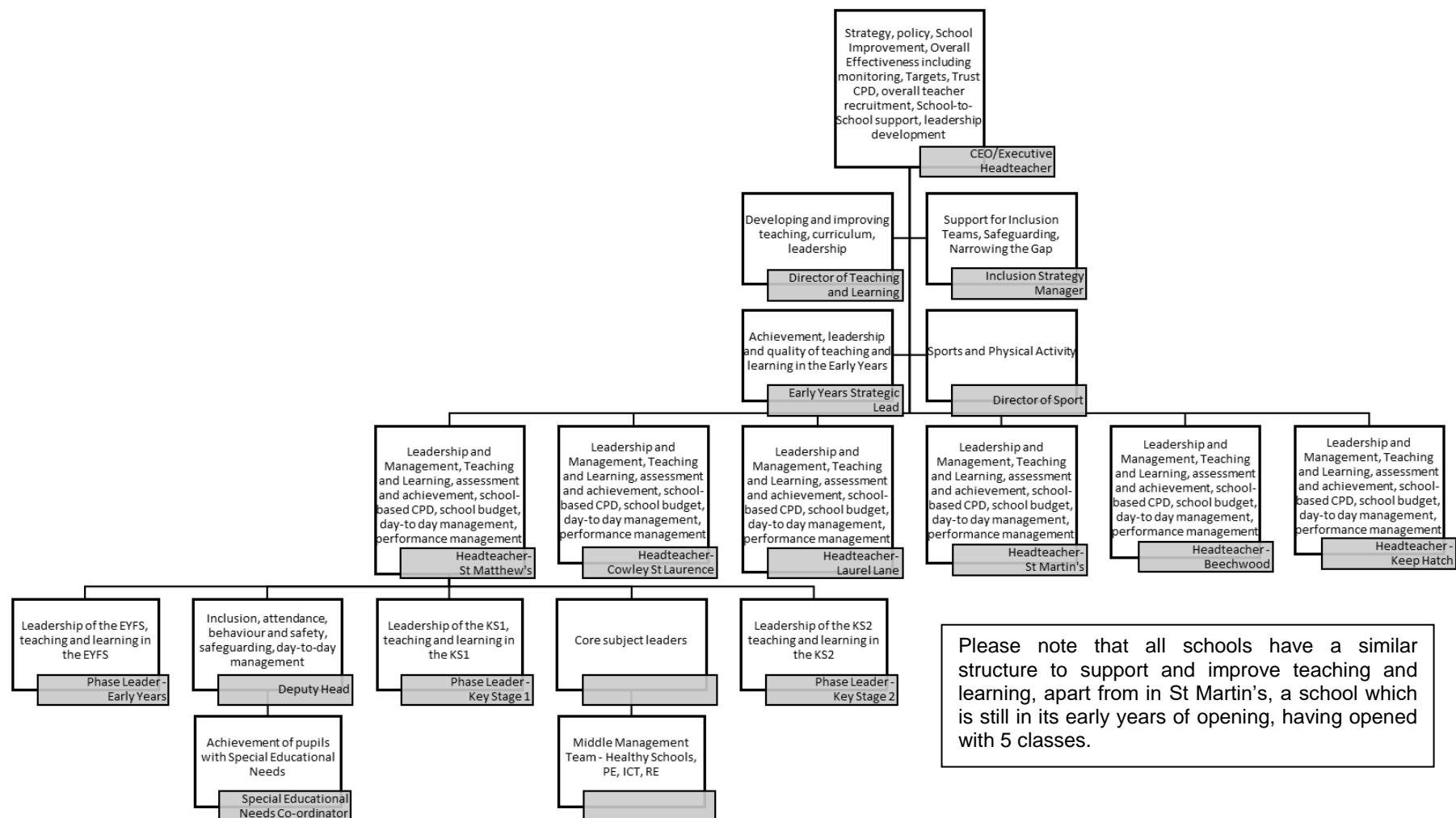


LDBS FRAYS ACADEMY TRUST

APPENDIX 2: TRUSTEES' REPORT – ORGANISATIONAL STRUCTURE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Leadership of Teaching and Learning

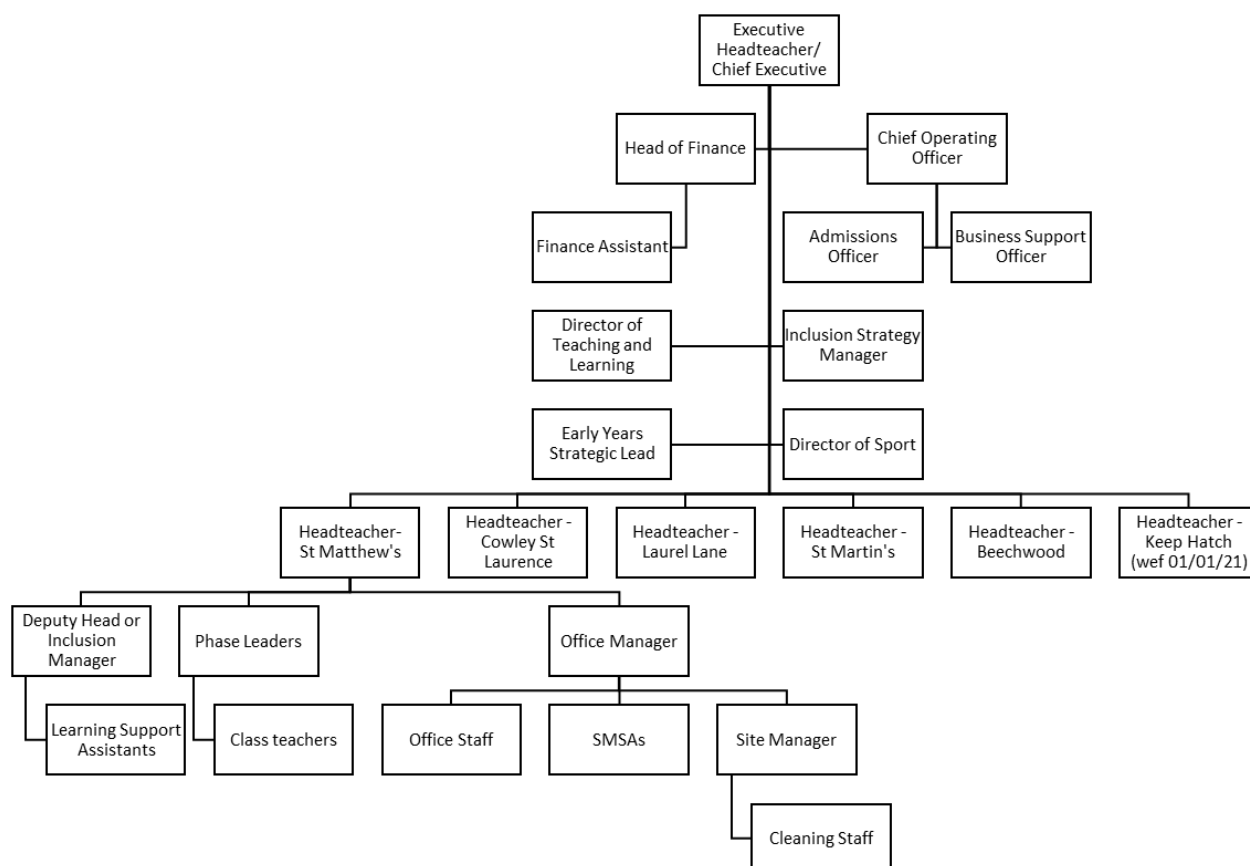


LDBS FRAYS ACADEMY TRUST

APPENDIX 2: TRUSTEES' REPORT – ORGANISATIONAL STRUCTURE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Management Structure



Please note that there are some variations to this in each school. St Martin's has a much smaller structure based on the smaller number of pupils.

LDBS FRAYS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between LDBS Frays Academy Trust and the Secretary of State for Education. The accounting officer 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 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
A Brett	10	10
K Buckler (Chair of Trustees)	9	10
C Cole (Executive Headteacher & Accounting Officer)	10	10
J Duncan	10	10
I Woolf	10	10
S Carroll	10	10
G Walker	8	10

The Board undertakes a self-evaluation each year. Management accounts are reviewed monthly by the Chair and each Board meeting is provided with financial data. The Risk Register is reviewed by Board each term. At the end of each Board meeting Directors are asked to evaluate the impact of the meeting.

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- review the Trust risk register;
- review all matters of Audit & Internal Controls;
- ensure the Trust's internal services meet or exceed the standards specified in the Government Internal Audit Manual.

Attendance at meetings in the year was as follows:

Audit committee members	Meetings attended	Out of possible
D Green (Chair)	4	4
C Cole (Executive Headteacher & Accounting Officer)	4	4
I Woolf	4	4
H Mehta	4	4
J Whelan (appointed October 2020)	3	3
<i>Attendees</i>		
C Cole (Executive Headteacher and Accounting officer)	4	4
J Gaffney (Chief Operating Officer)	4	4
R Ahmad (Head of Finance)	4	4

LDBS FRAYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of value for money

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

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

- ensuring the Trust works closely with its academies. The Heads of School and Senior leaders on a monthly basis to share ideas, good practice and discuss issues. This method of collaboration has had a massive effect on the education outcomes within the Trust.
- The Trust leadership groups review expenditure within each budget heading termly, the strengthening of governance and financial oversight has improved across the trust and expenditure challenged and discussed with the best value principles in mind.
- The Head of Finance/Finance Bursars strive to find best value in purchasing and use a number of established consortia. Large building works are placed via the Academies' consultants who are part of the London Diocesan Board of Schools who apply Best Value principles within a safe legal framework.

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 LDBS Frays Academy Trust for the period 1 September 2020 to 31 August 2021 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 period 1 September 2020 to 31 August 2021 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 Board 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 decided to buy in an internal audit service from McIntyre Hudson.

LDBS FRAYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 the following procedures and controls:

- bank and cash management;
- income;
- purchasing;
- payroll; and
- month end.

On a termly basis, the internal auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

No material failures or weaknesses were identified during the year as a result of the internal scrutiny work.

Review of effectiveness

As accounting officer the Executive Headteacher 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 external auditor.

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

Approved by order of the Board of Trustees on 11/12/2021 and signed on its behalf by:



K Buckler
Chair of Trustees



C Cole
Executive Headteacher & Accounting Officer

LDBS FRAYS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of LDBS Frays Academy Trust, I have considered my responsibility to notify the 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 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 2020.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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.

C Cole
Accounting Officer


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LDBS FRAYS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of LDBS Frays Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, 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 2020 to 2021;
- 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 accounts; and
- prepare the accounts 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 accounts 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 7/12/2021 and signed on its behalf by:



K Buckler

Chair of Trustees

LDBS FRAYS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDBS FRAYS ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of LDBS Frays Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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 2020 to 2021.

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 accounts' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

LDBS FRAYS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 accounts 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 accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

LDBS FRAYS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Extent to which the audit was capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook, the Academies Accounts Direction 2020 to 2021 taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Board of Trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

LDBS FRAYS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LDBS FRAYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts 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.

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.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts LLP**

14/12/21
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**Chartered Accountants
Statutory Auditor**

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

LDBS FRAYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 14 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LDBS Frays Academy Trust during the period 1 September 2020 to 31 August 2021 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 LDBS Frays Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the LDBS Frays 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 LDBS Frays Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of LDBS Frays Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of LDBS Frays Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

LDBS FRAYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- analytical review of the Trust's general activities to ensure that they are within the Trust's framework of authorities;
- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- review of the general control environment for the Trust on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the Trust's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the Trust's delegated authorities;
- formal representations obtained from the governing body and the accounting officer acknowledging the responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- confirmation that any extra-contractual payments such as severance and compensation payments have been appropriately authorised;
- review of credit card expenditure for any indication of personal use by staff, Executive Headteacher or Trustees;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Executive Headteacher or Trustees;
- review of income received in accordance with the activities permitted within the Trust's charitable objectives.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Alliotts LLP

Dated: 14/12/21

LDBS FRAYS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	40,154	1,554 343,363	385,071	544,800
Donations - transfer from local authority on conversion	25	-	(541,337) 8,840,847	8,299,510	1,865,134
Charitable activities:					
- Funding for educational operations	4	4,950	11,627,770 -	11,632,720	10,662,787
- Funding for teaching school	24	-	- -	-	29,167
Other trading activities	5	109,930	8,826 -	118,756	53,049
Investments	6	1,298	- -	1,298	4,581
Total		156,332	11,096,813 9,184,210	20,437,355	13,159,518
Expenditure on:					
Raising funds	7	-	4,433 -	4,433	5,225
Charitable activities:					
- Educational operations	9	-	12,946,636 334,209	13,280,845	11,659,254
- Teaching School	24	-	- -	-	71,039
Total	7	-	12,951,069 334,209	13,285,278	11,735,518
Net income/(expenditure)		156,332	(1,854,256) 8,850,001	7,152,077	1,424,000
Transfers between funds	17	-	228,325 (228,325)	-	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(1,654,000) -	(1,654,000)	(572,000)
Net movement in funds		156,332	(3,279,931) 8,621,676	5,498,077	852,000
Reconciliation of funds					
Total funds brought forward		1,325,540	(4,481,905) 13,665,612	10,509,247	9,657,247
Total funds carried forward		1,481,872	(7,761,836) 22,287,288	16,007,324	10,509,247

LDBS FRAYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds	Restricted funds:		Total 2020
		£	General £	Fixed asset £	£
Income and endowments from:					
Donations and capital grants	3	4,340	478,477	61,983	544,800
Donations - transfer from local authority on conversion	25	(35,000)	(760,000)	2,660,134	1,865,134
Charitable activities:					
- Funding for educational operations	4	21,843	10,640,944	-	10,662,787
- Funding for teaching school	24	-	29,167	-	29,167
Other trading activities	5	53,049	-	-	53,049
Investments	6	4,581	-	-	4,581
Total		<u>48,813</u>	<u>10,388,588</u>	<u>2,722,117</u>	<u>13,159,518</u>
Expenditure on:					
Raising funds	7	474	4,751	-	5,225
Charitable activities:					
- Educational operations	9	-	11,378,683	280,571	11,659,254
- Teaching School	24	-	71,039	-	71,039
Total	7	<u>474</u>	<u>11,454,473</u>	<u>280,571</u>	<u>11,735,518</u>
Net income/(expenditure)		48,339	(1,065,885)	2,441,546	1,424,000
Transfers between funds	17	-	(35,426)	35,426	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(572,000)	-	(572,000)
Net movement in funds		48,339	(1,673,311)	2,476,972	852,000
Reconciliation of funds					
Total funds brought forward		<u>1,277,201</u>	<u>(2,808,594)</u>	<u>11,188,640</u>	<u>9,657,247</u>
Total funds carried forward		<u>1,325,540</u>	<u>(4,481,905)</u>	<u>13,665,612</u>	<u>10,509,247</u>

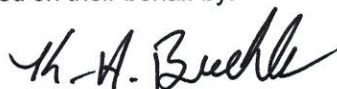
LDBS FRAYS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	13		22,148,830		13,528,697
Current assets					
Debtors	14	557,263		1,066,232	
Cash at bank and in hand		3,268,743		2,855,754	
		<u>3,826,006</u>		<u>3,921,986</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	<u>(1,065,512)</u>		<u>(1,154,436)</u>	
Net current assets			<u>2,760,494</u>		<u>2,767,550</u>
Net assets excluding pension liability			24,909,324		16,296,247
Defined benefit pension scheme liability	19		<u>(8,902,000)</u>		<u>(5,787,000)</u>
Total net assets			<u>16,007,324</u>		<u>10,509,247</u>
Funds of the Trust:					
Restricted funds	17				
- Fixed asset funds			22,287,288		13,665,612
- Restricted income funds			1,140,164		1,305,095
- Pension reserve			<u>(8,902,000)</u>		<u>(5,787,000)</u>
Total restricted funds			14,525,452		9,183,707
Unrestricted income funds	17		<u>1,481,872</u>		<u>1,325,540</u>
Total funds			<u>16,007,324</u>		<u>10,509,247</u>

The accounts on pages 21 to 50 were approved by the Trustees and authorised for issue on 7/12/2021 and are signed on their behalf by:



K Buckler
Chair of Trustees

Company Number 08335073

LDBS FRAYS ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20	(138,056)		155,307	
Cash funds transferred on conversion		126,663		-	
		(11,393)		155,307	
Cash flows from investing activities					
Dividends, interest and rents from investments		1,298		4,581	
Capital grants from DfE Group		501,748		299,171	
Capital funding received from sponsors and others		34,831		35,625	
Purchase of tangible fixed assets		(113,495)		(66,210)	
Net cash provided by investing activities		424,382		273,167	
Net increase in cash and cash equivalents in the reporting period		412,989		428,474	
Cash and cash equivalents at beginning of the year		2,855,754		2,427,280	
Cash and cash equivalents at end of the year		3,268,743		2,855,754	

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 accounts of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2020 to 2021 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 accounts 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 accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Keephatch Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

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 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.

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Leasehold improvements	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5-10 years

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

1.7 Liabilities

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

1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 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 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 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.

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.

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2021. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	343,363	343,363	539,693
Other donations	40,154	1,554	41,708	5,107
	<u>40,154</u>	<u>344,917</u>	<u>385,071</u>	<u>544,800</u>

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,922,350	8,922,350	7,629,564
Other DfE / ESFA grants:				
Pupil premium	-	577,538	577,538	557,366
Start up grants	-	-	-	50,000
Others	-	889,102	889,102	582,214
	-	10,388,990	10,388,990	8,819,144
Other government grants				
Local authority grants	-	1,211,805	1,211,805	1,572,564
Special educational projects	-	12,388	12,388	131,716
	-	1,224,193	1,224,193	1,704,280
Other funding				
Teaching School income	-	-	-	29,167
Other incoming resources	4,950	14,587	19,537	139,363
	4,950	14,587	19,537	168,530
Total funding	4,950	11,627,770	11,632,720	10,691,954

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	26,902	-	26,902	23,479
Other income	83,028	8,826	91,854	29,570
	109,930	8,826	118,756	53,049

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	1,298	-	1,298	4,581

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	-	-	4,433	4,433	5,225
Academy's educational operations					
- Direct costs	8,417,505	-	507,127	8,924,632	7,677,070
- Allocated support costs	2,397,126	1,109,558	849,529	4,356,213	3,982,184
Teaching School					
- Direct costs	-	-	-	-	71,039
	<u>10,814,631</u>	<u>1,109,558</u>	<u>1,361,089</u>	<u>13,285,278</u>	<u>11,735,518</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	16,300	13,850
- Other services	6,150	4,575
Depreciation of tangible fixed assets	319,377	280,571
Loss on disposal of fixed assets	14,832	-
Net interest on defined benefit pension liability	108,000	87,000

8 Central services

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

- management and financial services;
- legal and professional services;
- audit and accountancy.

The Trust charges for these services at an equal flat rate of based on the expected amount required for running each academy.

The amounts charged during the year were as follows:

	2021 £	2020 £
Cowley St Laurence CofE Primary School	106,519	200,000
Laurel Lane Primary School	106,521	200,000
St Martin's CofE Primary School	106,519	150,000
St Matthew's CofE Primary School	106,519	200,000
Beechwood Primary School	68,540	66,000
Keep Hatch Primary School	50,347	-
	<u>544,965</u>	<u>816,000</u>

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	2021 £	2020 £
All from restricted funds:		
Direct costs		
Educational operations	8,924,632	7,677,070
Teaching School	-	71,039
Support costs		
Educational operations	4,356,213	3,982,184
	<u>13,280,845</u>	<u>11,730,293</u>

	2021 £	2020 £
Analysis of support costs		
Support staff costs	2,412,614	2,026,967
Depreciation	334,209	280,571
Technology costs	186,190	184,761
Premises costs	775,349	986,318
Legal costs	53,562	19,705
Other support costs	562,410	458,723
Governance costs	31,879	25,139
	<u>4,356,213</u>	<u>3,982,184</u>

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	7,639,634	6,204,225
Social security costs	498,157	526,544
Pension costs	2,263,341	1,790,122
Staff costs - employees	10,401,132	8,520,891
Agency staff costs	363,875	815,245
Staff restructuring costs	49,624	2,236
Staff development and other staff costs	10,814,631 105,410	9,338,372 96,469
Total staff expenditure	10,920,041	9,434,841
Staff restructuring costs comprise:		
Redundancy payments	26,024	-
Severance payments	23,600	2,236
	49,624	2,236

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £23,600 (2020: £Nil). Individually, the payments were: £23,600.

Staff numbers

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

	2021 Number	2020 Number
Teachers	120	88
Administration and support	228	218
Management	3	3
	351	309

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

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

	2021 Number	2020 Number
Teachers	100	90
Administration and support	139	117
Management	3	3
	<u>242</u>	<u>210</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	3	2
£160,001 - £170,000	1	1

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £920,063 (9 employees) (2020: £851,379 to 8 employees).

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher 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:

C Cole (Executive Headteacher and trustee):

- Remuneration £160,000 - £165,000 (2020: £160,000 - £165,000)
- Employer's pension contributions £35,000 - £40,000 (2020: £35,000 - £40,000)

During the year, travel and subsistence payments totalling £Nil (2020: £708) were reimbursed or paid directly to no trustees (2020: 1 trustee).

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

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Trustees' and officers' insurance

The 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 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.

13 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2020	12,651,779	1,076,731	1,162,700	1,331,704	16,222,914
Transfer on conversion	8,840,847	-	-	-	8,840,847
Additions	-	29,180	67,177	17,138	113,495
Disposals	-	-	(89,839)	-	(89,839)
At 31 August 2021	21,492,626	1,105,911	1,140,038	1,348,842	25,087,417
Depreciation					
At 1 September 2020	562,213	62,000	988,990	1,081,014	2,694,217
On disposals	-	-	(75,007)	-	(75,007)
Charge for the year	198,826	12,000	81,544	27,007	319,377
At 31 August 2021	761,039	74,000	995,527	1,108,021	2,938,587
Net book value					
At 31 August 2021	20,731,587	1,031,911	144,511	240,821	22,148,830
At 31 August 2020	12,089,566	1,014,731	173,710	250,690	13,528,697

14 Debtors

	2021 £	2020 £
Trade debtors	1,457	7,952
VAT recoverable	89,666	155,077
Other debtors	-	252
Prepayments and accrued income	466,140	902,951
	557,263	1,066,232

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	451,224	642,406
Other taxation and social security	254,629	189,768
Other creditors	-	339
Accruals and deferred income	359,659	321,923
	<u>1,065,512</u>	<u>1,154,436</u>

16 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>198,387</u>	<u>181,607</u>
Deferred income at 1 September 2020	181,607	122,341
Released from previous years	(181,607)	(122,341)
Resources deferred in the year	<u>198,387</u>	<u>181,607</u>
Deferred income at 31 August 2021	<u>198,387</u>	<u>181,607</u>

At the balance sheet date the Trust was holding funds received in advance for Universal Infant Free School Meals and Devolved Formula Capital grants.

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	1,218,209	8,922,350	(9,228,720)	228,325	1,140,164
Start up grants	86,886	-	(86,886)	-	-
Pupil premium	-	577,538	(577,538)	-	-
Other DfE / ESFA grants	-	889,102	(889,102)	-	-
Other government grants	-	1,224,193	(1,224,193)	-	-
Other restricted funds	-	151,630	(151,630)	-	-
Pension reserve	(5,787,000)	(668,000)	(793,000)	(1,654,000)	(8,902,000)
	<u>(4,481,905)</u>	<u>11,096,813</u>	<u>(12,951,069)</u>	<u>(1,425,675)</u>	<u>(7,761,836)</u>
Restricted fixed asset funds					
Inherited on conversion	12,145,772	8,840,847	(121,253)	-	20,865,366
DfE group capital grants	928,522	343,363	(75,300)	(228,325)	968,260
Capital expenditure from GAG	461,805	-	(137,656)	-	324,149
Local authority capital grants	129,513	-	-	-	129,513
	<u>13,665,612</u>	<u>9,184,210</u>	<u>(334,209)</u>	<u>(228,325)</u>	<u>22,287,288</u>
Total restricted funds	<u>9,183,707</u>	<u>20,281,023</u>	<u>(13,285,278)</u>	<u>(1,654,000)</u>	<u>14,525,452</u>
Unrestricted funds					
General funds	<u>1,325,540</u>	<u>156,332</u>	<u>-</u>	<u>-</u>	<u>1,481,872</u>
Total funds	<u>10,509,247</u>	<u>20,437,355</u>	<u>(13,285,278)</u>	<u>(1,654,000)</u>	<u>16,007,324</u>

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

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

General annual grant

This includes all monies received from the ESFA to carry out the objectives of the Trust. It includes the School Budget Share. Under 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 2021.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

Other DfE/ESFA grants

Other grants include funding received from the DfE and ESFA for specific purposes.

Fixed asset funds

The fixed asset fund includes grants received from the DfE and other sources to finance the development and building of the academy and other tangible fixed assets, and the annual charges for depreciation of these assets.

Unrestricted funds

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

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	799,534	7,629,564	(7,175,463)	(35,426)	1,218,209
Start up grants	175,000	50,000	(138,114)	-	86,886
Pupil premium	-	557,366	(557,366)	-	-
Other DfE / ESFA grants	-	1,059,924	(1,059,924)	-	-
Other government grants	-	1,704,280	(1,704,280)	-	-
Teaching School	41,872	29,167	(71,039)	-	-
Other restricted funds	-	118,287	(118,287)	-	-
Pension reserve	(3,825,000)	(760,000)	(630,000)	(572,000)	(5,787,000)
	<u>(2,808,594)</u>	<u>10,388,588</u>	<u>(11,454,473)</u>	<u>(607,426)</u>	<u>(4,481,905)</u>
Restricted fixed asset funds					
Transfer on conversion	9,592,158	2,660,134	(106,520)	-	12,145,772
DfE group capital grants	919,660	61,983	(53,121)	-	928,522
Capital expenditure from GAG	547,309	-	(120,930)	35,426	461,805
Local authority capital grants	129,513	-	-	-	129,513
	<u>11,188,640</u>	<u>2,722,117</u>	<u>(280,571)</u>	<u>35,426</u>	<u>13,665,612</u>
Total restricted funds	<u>8,380,046</u>	<u>13,110,705</u>	<u>(11,735,044)</u>	<u>(572,000)</u>	<u>9,183,707</u>
Unrestricted funds					
General funds	<u>1,277,201</u>	<u>48,813</u>	<u>(474)</u>	<u>-</u>	<u>1,325,540</u>
Total funds	<u>9,657,247</u>	<u>13,159,518</u>	<u>(11,735,518)</u>	<u>(572,000)</u>	<u>10,509,247</u>

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Cowley St Laurence CofE Primary School	330,711	347,659
Laurel Lane Primary School	622,106	563,418
St Martin's CofE Primary School	161,337	209,627
St Matthew's CofE Primary School	778,467	714,913
Beechwood Primary School	286,110	232,116
Keep Hatch Primary School	5,381	-
Central services	437,924	562,902
Total before fixed assets fund and pension reserve	2,622,036	2,630,635
Restricted fixed asset fund	22,287,288	13,665,612
Pension reserve	(8,902,000)	(5,787,000)
Total funds	16,007,324	10,509,247

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Cowley St Laurence CofE Primary School	1,666,060	244,797	97,582	233,546	2,241,985	2,236,305
Laurel Lane Primary School	1,534,962	275,217	109,194	219,406	2,138,779	2,419,491
St Martin's CofE Primary School	1,464,103	180,877	121,899	200,592	1,967,471	1,801,246
St Matthew's CofE Primary School	1,493,157	312,519	139,980	453,982	2,399,638	2,100,760
Beechwood Primary School	1,105,837	214,380	55,086	168,361	1,543,664	1,518,388
Keep Hatch Primary School	899,010	118,878	60,335	125,811	1,204,034	-
Central services	344,297	380,947	(166,873)	104,126	558,371	711,969
	8,507,426	1,727,615	417,203	1,505,824	12,053,942	10,788,159

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	22,148,830	22,148,830
Current assets	1,481,872	2,205,676	138,458	3,826,006
Creditors falling due within one year	-	(1,065,512)	-	(1,065,512)
Defined benefit pension liability	-	(8,902,000)	-	(8,902,000)
Total net assets	1,481,872	(7,761,836)	22,287,288	16,007,324

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	13,528,697	13,528,697
Current assets	1,325,540	2,459,531	136,915	3,921,986
Creditors falling due within one year	-	(1,154,436)	-	(1,154,436)
Defined benefit pension liability	-	(5,787,000)	-	(5,787,000)
Total net assets	1,325,540	(4,481,905)	13,665,612	10,509,247

19 Pension and similar obligations

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

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 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

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% employer administration charge)
- 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 £933,926 (2020: £653,521).

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

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

Local Government Pension Scheme

London Borough of Hillingdon 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 19.6 to 24.9% for employers and 5.5 to 12.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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.

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

Total contributions made	2021 £	2020 £
Employer's contributions	512,000	476,000
Employees' contributions	130,000	118,000
Total contributions	642,000	594,000
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.2	2.5
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	22.3	22.1
- Females	24.7	24.3
Retiring in 20 years		
- Males	23.3	22.8
- Females	26.2	25.5

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

	2021 £	2020 £
Discount rate + 0.1%	(61,000)	(422,000)
Discount rate - 0.1%	61,000	422,000
Mortality assumption + 1 year	483,000	368,000
Mortality assumption - 1 year	(483,000)	(368,000)
CPI rate + 0.1%	57,000	418,000
CPI rate - 0.1%	(57,000)	(418,000)

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

The Trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	2,542,000	1,905,000
Bonds	1,622,000	1,256,000
Property	865,000	608,000
Other assets	379,000	284,000
Total market value of assets	5,408,000	4,053,000

The actual return on scheme assets was £786,000 (2020: £(141,000))

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	986,000	884,000
Interest income	(73,000)	(73,000)
Interest cost	158,000	146,000
Total operating charge	1,071,000	957,000

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	8,815,000	7,505,000
Current service cost	986,000	884,000
Interest cost	158,000	146,000
Employee contributions	130,000	118,000
Actuarial loss	2,066,000	242,000
Benefits paid	(73,000)	(80,000)
At 31 August 2021	12,082,000	8,815,000

Changes in the fair value of the Trust's share of scheme assets	2021 £	2020 £
At 1 September 2020	4,053,000	3,680,000
Interest income	73,000	73,000
Actuarial (gain)/loss	713,000	(214,000)
Employer contributions	512,000	476,000
Employee contributions	130,000	118,000
Benefits paid	(73,000)	(80,000)
At 31 August 2021	5,408,000	4,053,000

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

Royal County of Berkshire Pension Fund

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 19.6 to 24.9% for employers and 5.5 to 12.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Total contributions made	2021	2020
	£	£
Employer's contributions	129,000	77,000
Employees' contributions	37,000	20,000
	<hr/>	<hr/>
Total contributions	166,000	97,000
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Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.85	3.25
Rate of increase for pensions in payment/inflation	2.85	2.25
Discount rate for scheme liabilities	1.70	1.65
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The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021	2020
	Years	Years
Retiring today		
- Males	21.30	21.50
- Females	24.00	24.10
Retiring in 20 years		
- Males	22.60	22.90
- Females	25.40	26.50
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LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

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

	2021 £	2020 £
Discount rate + 0.1%	(98,000)	(45,000)
Discount rate - 0.1%	101,000	45,000
Mortality assumption + 1 year	137,000	55,000
Mortality assumption - 1 year	(132,000)	(55,000)
CPI rate + 0.1%	90,000	5,000
CPI rate - 0.1%	(87,000)	(5,000)

The Trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	759,000	316,000
Bonds	222,000	70,000
Property	147,000	76,000
Other assets	117,000	76,000
Total market value of assets	1,245,000	538,000

The actual return on scheme assets was £103,000 (2020: £19,000)

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	340,000	178,000
Past service cost	-	34,000
Interest income	(15,000)	(9,000)
Interest cost	38,000	23,000
Total operating charge	363,000	226,000

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	1,563,000	-
Obligations acquired on conversion	1,106,000	1,182,000
Current service cost	340,000	178,000
Interest cost	38,000	23,000
Employee contributions	37,000	20,000
Actuarial loss	389,000	126,000
Past service cost	-	34,000
At 31 August 2021	3,473,000	1,563,000

Changes in the fair value of the Trust's share of scheme assets

	2021 £	2020 £
At 1 September 2020	538,000	-
Assets acquired on conversion	438,000	422,000
Interest income	15,000	9,000
Actuarial gain	88,000	10,000
Employer contributions	129,000	77,000
Employee contributions	37,000	20,000
At 31 August 2021	1,245,000	538,000

20 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	7,152,077	1,424,000
Adjusted for:		
Net surplus on conversion to academy	(8,299,510)	(1,865,134)
Capital grants from DfE and other capital income	(343,363)	(539,693)
Investment income receivable	(1,298)	(4,581)
Defined benefit pension costs less contributions payable	685,000	543,000
Defined benefit pension scheme finance cost	108,000	87,000
Depreciation of tangible fixed assets	319,377	280,571
Loss on disposal of fixed assets	14,832	-
Decrease/(increase) in debtors	315,753	(251,921)
(Decrease)/increase in creditors	(88,924)	517,065
Stocks, debtors and creditors transferred on conversion	-	(35,000)
Net cash (used in)/provided by operating activities	(138,056)	155,307

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	2,855,754	412,989	3,268,743

22 Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure related party transactions

Mr I. Woolf is a director of Grow Education Partners Limited, a company that provided project management and survey services in the period to the Trust totalling £1,350 (2020: £600) to cover employee costs.

Mr I. Woolf is also a director of Teaching London: LDBS SCITT, a company that provided teacher training courses to the Trust totalling £Nil (2020: £9,250) during the period.

23 Members' liability

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

24 Teaching School trading account

	2021 £	£	2020 £	£
Direct income				
Other external funding		-		29,167
Direct costs				
Direct staff costs	-		71,039	
Total operating costs		-		(71,039)
Deficit from teaching school		-		(41,872)
Teaching School balances at 1 September 2020		-		41,872
Teaching School balances at 31 August 2021		-		-

LDBS FRAYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

25 Conversion to an academy

On 1 January 2021 the Keep Hatch Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to LDBS Frays Academy Trust from the Wokingham Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Keep Hatch Primary School	Wokingham	1 January 2021		
	Unrestricted funds	Restricted funds:		Total
	£	General	Fixed asset	2021
Net assets transferred:	£	£	£	£
Leasehold land and buildings	-	-	8,840,847	8,840,847
Cash	-	126,663	-	126,663
Pension scheme deficit	-	(668,000)	-	(668,000)
	-	(541,337)	8,840,847	8,299,510
	Unrestricted funds	Restricted funds:		Total
	£	General	Fixed asset	2021
Funds surplus/(deficit) transferred:	£	£	£	£
Fixed assets funds	-	-	8,840,847	8,840,847
LA budget funds	-	126,663	-	126,663
LGPS pension funds	-	(668,000)	-	(668,000)
	-	(541,337)	8,840,847	8,299,510