

Company Registration No. 08333607 (England and Wales)

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017**

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

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THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr Neil Dawson (Trustee)
Mr Seamus Oates (Resigned 8 September 2016)
Ms Ros Bidmead
Mr Pierre Gosselin
Mr Stephen Taylor (Accounting Officer)
Mr Robert Matthews (Resigned 8 November 2016)
Ms Nazma Khanom (Resigned 14 March 2017)
Prof Mary Target
Ms Laura Davies (staff)
Mr Anthony Scrafton (staff)
Mrs Peggy Ray
Mr Nigel Smith (Appointed 8 November 2016)

Members

Ms Brenda McHugh
Mr Jonathan Robinson
Prof Peter Fonagy
Dame Ruth Runciman
Prof Norah Frederickson
Prof Ian Goodyer
Mrs Peggy Ray
Mr Michael Samuel
Prof Mary Target

Senior management team

- Headteacher
- Deputy Head
- Head of Admin/Resources

Stephen Taylor
Matthew Hillman
Linda Hooper

Company secretary

Mrs Natalie Merrett

Company registration number

08333607 (England and Wales)

Registered office

Anna Freud Centre
12 Maresfield Gardens
London
NW3 5SU

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank Plc
131 Finchley Road
Swiss Cottage
London
NW3 6HY

Solicitors

Bates Wells & Braithwaite London LLP
2-6 Cannon Street
LONDON
EC4M 6YH

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Trustees' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and 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 published on September 2015 (FRS102).

The financial statements cover the period of 12 months from 1 September 2016 to 31 August 2017.

The company changed its name from Westminster Family School to The Pears Family Charitable Foundation School in March 2017.

The Pears Family Charitable Foundation School is a specialist alternative provision for pupils 5 to 14 years who are at risk of exclusion and are struggling to achieve. It will have an eventual capacity of 48 and had a roll of 30 in the school census on 19 May 2017.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of The Pears Family Charitable Foundation School are also the Trustees of the charitable company for the purposes of company law. The charitable company runs a school known as The Family School London.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

There are and were no qualifying third party indemnity provisions during the financial year to which this report relates.

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The number of Trustees shall not be less than three. The Trustees are elected at Full Trustees Meetings on the basis of their eligibility, personal competence, specialist skills and local availability.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Policies and procedures adopted for the induction and training of Trustees

The Trustees have a number of 'years' experience of school governance. New Trustees are required to attend an induction training course. Further training and development is identified in relation to whole Trustees Body needs.

A matrix is maintained of required knowledge/skills to match the school's needs, those already covered by Trustees and notes of possible training.

Organisational structure

The responsibilities of the Governing Body are delegated to two sub committees (Achievement, Welfare and Finance, Premises & HR) and to the head teacher/ Accounting Officer in line with our sub-committee terms of reference and our financial schemes of delegation.

The Board are responsible for setting the general policy, adopting the annual budget, approving the statutory accounts, monitoring the Academy by use of budgets and other data and making major decisions about the strategic direction of the Academy.

The Trustees have devolved responsibility for day to day management of the Academy Trust to the Executive Headteacher and the Senior Management Team (SMT). They implement the policies laid down by the Board and report back to their individual local governing bodies and the Board on performance.

The Executive Headteacher and the local governing body are responsible for the authorisation of spending within agreed budgets; this responsibility is governed by the approved financial scheme of delegation. The Executive Headteacher is responsible for the appointment of staff and a Trustees presence is required for senior appointments

The Executive Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Managers and leaders within the school under Teachers Pay and condition. A salary range for each leadership position is agreed with Trustees after taking advice from HR consultants, Finance Lead and bench marking against similar positions in similar schools.

Related parties and other connected charities and organisations

The Academy Trust's sponsor is the Anna Freud Centre (AFC). Potential for conflicts of interest are mitigated through the balance of non AFC employees on both the Members board and in the Governing Body. Furthermore the school's financial scheme of delegation ensures that any attempt to commission services from AFC must go through the Full Governing Body and, in addition, our Financial Handbook sets out the rules by which any such commissioning should take place. This includes the ESFA/ DfE being made aware each time services are commissioned. The ESFA have agreed to this strategy for mitigating risk.

Objectives and activities

Objects and aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad range of curriculum for pupils of differing abilities within an alternative provision educational setting.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The aims of the Academy during the year ended 31 August 2017 are summarised below:

- To continue to raise standards of educational attainment and achievement of pupils;
- To raise students' well-being in order to unlock barriers to learning;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop students as more effective learners;
- To ensure that every child enjoys the same high quality education in terms of resourcing tuition and care;
- To provide value for money for the funds expended;
- To continue to develop strong relationships with primary and secondary schools within the borough;
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

Key priorities for the year are contained in our Academy Action Plan. These are:

- To continue to raise standards of educational attainment and achievement of pupils;
- To raise students' well-being in order to unlock barriers to learning;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop students as more effective learners;
- To ensure that every child enjoys the same high quality education in terms of resourcing tuition and care;
- To provide value for money for the funds expended;
- To continue to develop strong relationships with primary and secondary schools within the borough;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness; and
- To work with an increasing number of schools and authorities across London.

Public benefit

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

Report

In June 2017 the school received its first Section 5 Ofsted inspection. The judgement of the HMI team was that, in line with our own assessment, the school is Outstanding in all areas.

Academic Progress

Whole School Outstanding Good

	Spoken language		Reading		Writing		Maths	
Progress points	45	60	45	60	45	60	45	60
Target	80%	40%	80%	40%	80%	40%	80%	40%
Group								
PPG	89%	58%	89%	42%	84%	58%	84%	51%
EHCP	82%	53%	82%	41%	82%	47%	82%	41%
EAL (4)	100%	75%	100%	75%	100%	50%	100%	50%
LAC/SGO (4)	75%	25%	75%	25%	100%	25%	100%	25%
Males	86%	52%	81%	48%	86%	48%	82%	44%
Females (3)	100%	67%	100%	67%	100%	33%	100%	67%
CIN/CP	85%	46%	85%	39%	92%	54%	92%	58%
Phase 1 (Yr 1-3)	83%	50%	83%	50%	66%	66%	66%	66%
Phase 2 (Yr 4-6)	86%	71%	100%	77%	100%	86%	100%	77%
Phase 3 (Yr 7-9)	82%	45%	82%	27%	91%	27%	91%	45%

This data shows that students made outstanding progress 2016-17.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

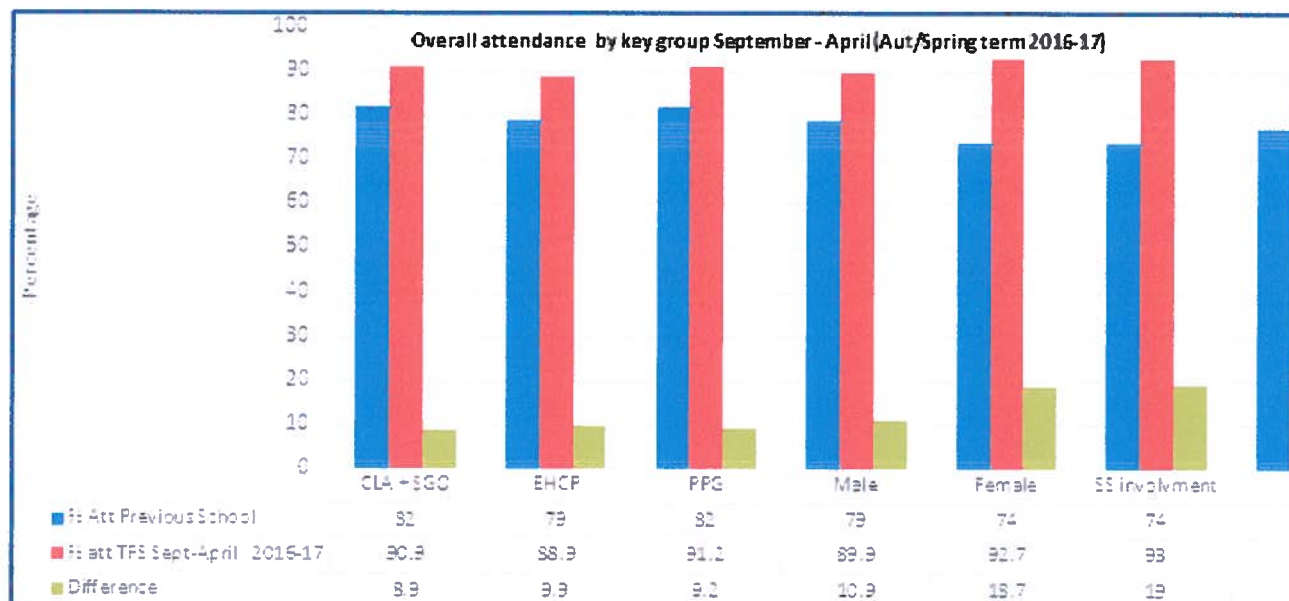
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

Attendance

In line with our attendance targets, students' attendance significantly increases at TFS



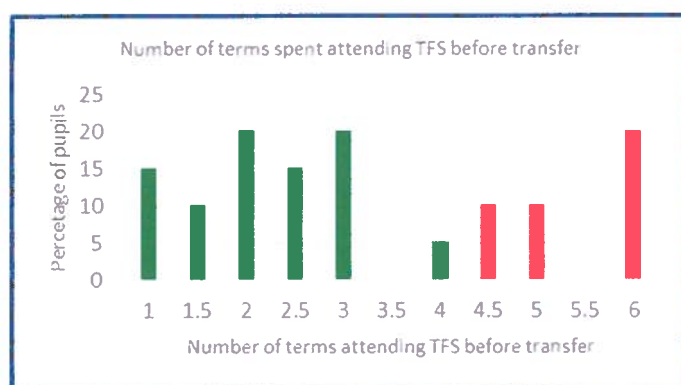
THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Reintegration

Children are exceptionally well prepared for the next stage of their education. The key purpose of the of the school is to work with individuals and families in such a way that they are able to successfully reintegrate back into an appropriate setting and that once reintegrated the family has the skills and resilience to make the placement successful and sustainable. The table below shows that the majority of students are reintegrated within 4 terms



In addition to reports on specific issues of achievement and performance Trustees receive a comprehensive report from the Executive Headteacher and Local Governing Bodies receive detailed reports on a termly basis. The Chair of the trustees meets frequently with the Executive Headteacher to review progress on key objectives and to discuss strategy.

See item 'financial review below:-

Going concern

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

Financial review

The majority of the Academy Trust's income is obtained from both the Department for Education (DfE) via the Educational & Skills Funding Agency (ESFA) and Local Authorities, the use of which is restricted to particular purposes. The grants received from the DfE and Local Authorities during the year ended 31 August 2017 and associated expenditure is shown as Restricted Funds in the Statement of Financial Activities.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Academy Trust also receives small grants (devolved formula capital) for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

During the year ended 31 August 2017 total revenue expenditure was £1,479,756 (2016: £1,243,073) (excluding restricted fixed asset funds), of which £1,231,725 (2016: £1,116,684) was covered by funding from the DfE and Local Authority income. The deficit on financial activities for the year was £86,781 (2016: surplus of £23,511) (excluding restricted fixed assets and pension funds).

Key financial policies adopted or reviewed during the year include the financial procedures; scheme of financial delegation and whistleblowing policy.

Trustees have adopted a Responsible Officer to undertake a programme of internal checks on financial controls. During the year Trustees received the quarterly reports from the Responsible Officer, where weaknesses were identified they were followed up and there remains no matters of significance outstanding. These reports have also been shared with the External Auditor.

A finance procedure document determines the way the school operates finances from day-to-day and this is informed by the Academy Financial Handbook issued by the DfE. The Responsible Officer undertakes regular checks of procedure and reports directly to the Trustees via the Finance and General Purposes Committee.

Reserves policy

Reserves of £61,664 (2016: £188,174) are held as at 31 August 2017 and are monitored by the Trustees. They are used to ensure the school remains a going concern over the medium term as national funding is predicted to reduce and to maintain the current school rented building, where appropriate, until the school moves to its permanent school building. However, a prudent policy for the use of reserves is followed in view of uncertainty about future funding and, in particular, the introduction of a national funding formula.

The budgeted donations from Anna Freud Centre are expected to be received for both 2017-18 and 2018-19. In addition, Anna Freud Centre is aware of the impact of the schools continued occupancy of the temporary site, the knock on effect on pupil numbers and the pressure that is placed on the Trust's budget. Anna Freud Centre have earmarked an additional sum of £100k to support the school for 2017-18.

The Trust relies heavily on both DfE and Local Council Funding. Projected budgets over a 5 year period show a need to hold reserves to allow the Trust to down-manage expenditure efficiently over a period of time as funding tightens and staffing costs increase through pay rises, increased NI costs and increased pension contributions, in conjunction with inflationary pressures.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Investment policy and powers

The Academy's current policy, where possible, is to use its income in the financial year and academic years it is acquired with the exception of that designated as reserves. Investment therefore means placing that income in a low risk environment so as to be available when needed, but also maximising returns by making use of appropriate savings and investment accounts. Any such investment decision will require the Board's approval which includes assessing levels of risk associated with any proposed investment or deposit. Currently the Trustees have not authorised any form of investment.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme.

Principal risks and uncertainties

All major risks are detailed within the Trust's risk register which are regularly reviewed at both school and board level; thereafter it is communicated to put in place appropriate mitigating action to reduce exposure. The Risk Register is formally approved on an annual basis at Board level. Each risk that is identified has a lead officer and timeline with appropriate milestones to measure the success of mitigation.

Plans for future periods

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to attract high quality teachers and support staff in order to deliver its objectives. The Academy Trust will continue with local schools to improve the educational opportunities for students in the wider community.

Funds held as custodian trustee on behalf of others

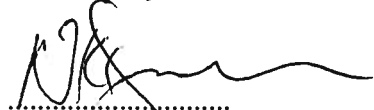
The Academy Trust does not hold any funds as a custodian for others.

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, on12/12/17..... and signed on its behalf by:



Mr Neil Dawson

Trustee

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Pears Family Charitable Foundation School 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 The Pears Family Charitable Foundation School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year as a FGB as well as 6 times within committees. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Neil Dawson (Trustee)	3	3
Mr Seamus Oats (Resigned 8 September 2016)		
Ms Ros Bidmead	3	3
Mr Pierre Gosselin	3	3
Mr Stephen Taylor (Accounting Officer)	3	3
Mr Robert Matthews (Resigned 8 November 2016)		
Ms Nazma Khanom (Resigned 14 March 2017)		
Prof Mary Target	3	3
Ms Laura Davies (staff)	3	3
Mr Anthony Scrafton (staff)	3	3
Mrs Peggy Ray	3	3
Mr Nigel Smith (Appointed 8 November 2016)	2	3

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The finance and general purposes committee is a sub-committee of the main Board of Trustees. Its purpose is to agree the budget for the Academy for the financial year and to recommend formal acceptance by the Board of Trustees. It also monitors the budgets for the school during the year. The detailed information is provided by A Nayyar, who is a qualified accountant. The committee met 3 times during year.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Neil Dawson (Trustee)	3	3
Ms Ros Bidmead	3	3
Mr Pierre Gosselin	3	3
Mr Stephen Taylor (Accounting Officer)	3	3

Review of value for money

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

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

- Undertaking a general review of contracts;
- Implementing the Financial procedures approved by Trustees to ensure that an appropriate number of quotations/tenders are received before contracts are let;
- Undertaking competitive tendering where appropriate; and
- Generally ensuring that 'best price' applies to all purchases.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. An independent Responsible Officer oversees financial procedures and ensures that they are followed in practice.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit of procedures and has appointed a Responsible Officer.

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

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/ bank reconciliations.

On a quarterly basis, the Responsible Officer reports to the Board of Trustees, through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 Responsible Officer;
- the work of the external auditor;
- the work of the Finance Office within the Academy Trust who has responsibility for the maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purpose's Committee and where weaknesses have been identified by the Responsible Officer.

Approved by order of the Board of Trustees on12/12/17..... and signed on its behalf by:


Mr Neil Dawson
Trustee


Mr Stephen Taylor
Accounting Officer

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of The Pears Family Charitable Foundation School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



Mr Stephen Taylor
Accounting Officer

12/12/17

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THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for The Pears Family Charitable Foundation School and are also the directors of The Pears Family Charitable Foundation School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued 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 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 Board of Trustees on 12/14/17 and signed on its behalf by:



Mr Neil Dawson
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

Opinion

We have audited the accounts of The Pears Family Charitable Foundation School for the year ended 31 August 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 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 2017 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 2015 and the Academies Accounts Direction 2016 to 2017.

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 academy 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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL (CONTINUED)

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL (CONTINUED)

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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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.

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.

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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

14 December 2017

Chartered Accountants
Statutory Auditor

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 December 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pears Family Charitable Foundation School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Pears Family Charitable Foundation School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Pears Family Charitable Foundation School's funding agreement with the Secretary of State for Education dated 2 September 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL AND
THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment;
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education;
- Review of the declaration of interests to ensure completeness;
- Review of minutes for evidence of declaration of interest;
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities;
- A sample of cash payments were reviewed for unusual transactions;
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement;
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Dated: 14 December 2017

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2017 £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	-	157,500	20,489	177,989
Charitable activities:					
- Funding for educational operations	4	-	1,231,725	-	1,231,725
Other trading activities	5	3,750	-	-	3,750
Total income and endowments		<u>3,750</u>	<u>1,389,225</u>	<u>20,489</u>	<u>1,413,464</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	901	1,478,855	62,218	1,541,974
Total expenditure	6	<u>901</u>	<u>1,478,855</u>	<u>62,218</u>	<u>1,541,974</u>
Net income/(expenditure)		2,849	(89,630)	(41,729)	(128,510)
Transfers between funds		485	-	(485)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	15	-	2,000	-	2,000
Net movement in funds		<u>3,334</u>	<u>(87,630)</u>	<u>(42,214)</u>	<u>(126,510)</u>
Reconciliation of funds					
Total funds brought forward		6,254	83,970	97,950	188,174
Total funds carried forward		<u>9,588</u>	<u>(3,660)</u>	<u>55,736</u>	<u>61,664</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	-	149,900	29,068	178,968
Charitable activities:					
- Funding for educational operations	4	-	1,116,684	-	1,116,684
Total income and endowments		-	1,266,584	29,068	1,295,652
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	1,243,073	46,643	1,289,716
Total expenditure	6	-	1,243,073	46,643	1,289,716
Net income/(expenditure)		-	23,511	(17,575)	5,936
Transfers between funds		-	(11,191)	11,191	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	15	-	(2,000)	-	(2,000)
Net movement in funds		-	10,320	(6,384)	3,936
Reconciliation of funds					
Total funds brought forward		6,254	73,650	104,334	184,238
Total funds carried forward		6,254	83,970	97,950	188,174

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		55,736		97,950
Current assets					
Debtors	12	53,726		95,121	
Cash at bank and in hand		36,995		29,309	
		90,721		124,430	
Current liabilities					
Creditors: amounts falling due within one year	13	(72,793)		(30,206)	
Net current assets			17,928		94,224
Net assets excluding pension liability			73,664		192,174
Defined benefit pension liability	15		(12,000)		(4,000)
Net assets			61,664		188,174
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			55,736		97,950
- Restricted income funds			8,340		87,970
- Pension reserve			(12,000)		(4,000)
Total restricted funds			52,076		181,920
Unrestricted income funds	14		9,588		6,254
Total funds			61,664		188,174

The accounts set out on pages 22 to 45 were approved by the Board of Trustees and authorised for issue on 19/11/17 and are signed on its behalf by:

Mr Neil Dawson
Trustee

Company Number 08333607

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	17		7,200		(38,707)
Cash flows from investing activities					
Capital grants from DfE and ESFA		20,489		29,068	
Payments to acquire tangible fixed assets		(20,003)		(40,259)	
			486		(11,191)
Change in cash and cash equivalents in the reporting period					
			7,686		(49,898)
Cash and cash equivalents at 1 September 2016			29,309		79,207
Cash and cash equivalents at 31 August 2017			36,995		29,309

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

The Pears Family Charitable Foundation School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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 academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Pears Family Charitable Foundation School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

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.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

Donations

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included in expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

1.5 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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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. Where an asset is acquired part way through the year, a full years charge is applied as follows:

Leasehold Land and buildings	over the lease term
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Financial instruments

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 15, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education & Skills Funding Agency, a number of Local Authorities and the Anna Freud Centre.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees consider that they have not made any critical judgements in the preparation of the financial statements.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	20,489	20,489	29,068
Other donations	-	157,500	157,500	149,900
	-	177,989	177,989	178,968

During the year, The Pears Family Charitable Foundation School received a donation of £157,500 (2016: £149,900) from The Anna Freud Centre. This donation was received as follows: £57,500 (2016: £57,000) as a benefit in kind for two consultants 3 days a week, a research fellow & assistant once a month and support staff on an ad hoc basis; and £100,000 (2016: £92,900) as a donation to be used towards building works and support costs. At the year end there were no amounts receivable from the Anna Freud Centre (2016: £35,855).

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	515,495	515,495	435,002
Other DfE / ESFA grants	-	35,931	35,931	67,700
	-	551,426	551,426	502,702
Other government grants				
Local authority grants	-	680,299	680,299	613,982
Total funding	-	1,231,725	1,231,725	1,116,684

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	1,500	-	1,500	-
Other income	2,250	-	2,250	-
	3,750	-	3,750	-

6 Expenditure

	Staff costs & equipment £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	859,886	-	93,610	953,496	769,240
- Allocated support costs	145,725	314,436	128,317	588,478	520,476
	1,005,611	314,436	221,927	1,541,974	1,289,716

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2017	2016
	£	£
Fees payable to auditor for audit services	9,000	7,500
Operating lease rentals	188,020	173,762
Depreciation of tangible fixed assets	61,956	46,643
Loss on disposal of fixed assets	262	-
Net interest on defined benefit pension liability	-	1,000
	<u> </u>	<u> </u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	901	952,595	953,496	769,240
Support costs - educational operations	-	588,478	588,478	520,476
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	901	1,541,073	1,541,974	1,289,716
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	145,725	129,137
Depreciation and amortisation	62,218	46,643
Technology costs	9,606	12,819
Premises costs	241,471	213,169
Other support costs	112,891	106,720
Governance costs	16,567	11,988
	<u> </u>	<u> </u>
	588,478	520,476
	<u> </u>	<u> </u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs

	2017 £	2016 £
Wages and salaries	523,405	476,271
Social security costs	56,593	38,515
Operating costs of defined benefit pension schemes	60,893	47,848
Staff costs	640,891	562,634
Supply staff costs	361,957	251,264
Staff development and other staff costs	2,763	6,364
Total staff expenditure	1,005,611	820,262

Staff numbers

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

	2017 Number	2016 Number
Teachers	4	5
Administration and support	6	6
Management	4	2
	14	13

Higher paid staff

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

	2017 Number	2016 Number
£90,001 - £100,000	1	1
£60,001 - £70,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £217,970 (2016: £122,398).

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Trustees' remuneration and expenses

The head teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees. During the year, travel and subsistence payments totalling £nil (2016: £nil) were reimbursed to Trustees .

The value of Trustees' remuneration was as follows:

Head teacher and Trustee	remuneration: £95,000 - £100,000 (2016: £95,000-£100,000)
	pension: £15,000 - £20,000 (2016: £15,000-£20,000)

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance is part of the risk protection arrangement that the school have undertaken with the ESFA. The cost and cover is not separately identifiable within this policy.

11 Tangible fixed assets

	Leasehold Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2016	125,911	58,067	10,825	194,803
Additions	9,335	4,388	6,280	20,003
Disposals	-	(1,798)	-	(1,798)
At 31 August 2017	135,246	60,657	17,105	213,008
Depreciation				
At 1 September 2016	58,801	34,671	3,381	96,853
On disposals	-	(1,536)	-	(1,536)
Charge for the year	37,454	21,080	3,421	61,955
At 31 August 2017	96,255	54,215	6,802	157,272
Net book value				
At 31 August 2017	38,991	6,442	10,303	55,736
At 31 August 2016	67,110	23,396	7,444	97,950

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Debtors	2017	2016
	£	£
Trade debtors	-	8,020
VAT recoverable	13,595	14,882
Prepayments and accrued income	40,131	72,219
	<hr/>	<hr/>
	53,726	95,121
	<hr/>	<hr/>
 13 Creditors: amounts falling due within one year	 2017	 2016
	£	£
Trade creditors	91	5,652
ESFA creditors	4,585	3,310
Other creditors	117	311
Accruals and deferred income	68,000	20,933
	<hr/>	<hr/>
	72,793	30,206
	<hr/>	<hr/>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	87,970	515,495	(558,181)	-	45,284
Other DfE / ESFA grants	-	35,931	(35,931)	-	-
Other government grants	-	680,299	(717,243)	-	(36,944)
Other restricted funds	-	157,500	(157,500)	-	-
	<u>87,970</u>	<u>1,389,225</u>	<u>(1,468,855)</u>	<u>-</u>	<u>8,340</u>
Funds excluding pensions	87,970	1,389,225	(1,468,855)	-	8,340
Pension reserve	(4,000)	-	(10,000)	2,000	(12,000)
	<u>83,970</u>	<u>1,389,225</u>	<u>(1,478,855)</u>	<u>2,000</u>	<u>(3,660)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	97,950	20,489	(62,218)	(485)	55,736
	<u>97,950</u>	<u>20,489</u>	<u>(62,218)</u>	<u>(485)</u>	<u>55,736</u>
Total restricted funds	<u>181,920</u>	<u>1,409,714</u>	<u>(1,541,073)</u>	<u>1,515</u>	<u>52,076</u>
Unrestricted funds					
General funds	6,254	3,750	(901)	485	9,588
	<u>6,254</u>	<u>3,750</u>	<u>(901)</u>	<u>485</u>	<u>9,588</u>
Total funds	<u>188,174</u>	<u>1,413,464</u>	<u>(1,541,974)</u>	<u>2,000</u>	<u>61,664</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Funds

(Continued)

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

General Annual Grant

The General Annual Grant must be used for normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Due to the specialist nature of the school, GAG mainly comprises of High Needs Funding.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Transfer between funds

The transfer within restricted funds was necessary due to the provision of support costs from other restricted funds in the year.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	73,650	435,002	(409,491)	(11,191)	87,970
Other DfE / ESFA grants	-	67,700	(67,700)	-	-
Other government grants	-	613,982	(613,982)	-	-
Other restricted funds	-	149,900	(149,900)	-	-
	<u>73,650</u>	<u>1,266,584</u>	<u>(1,241,073)</u>	<u>(11,191)</u>	<u>87,970</u>
Funds excluding pensions	73,650	1,266,584	(1,241,073)	(11,191)	87,970
Pension reserve	-	-	(2,000)	(2,000)	(4,000)
	<u>73,650</u>	<u>1,266,584</u>	<u>(1,243,073)</u>	<u>(13,191)</u>	<u>83,970</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	104,334	29,068	(46,643)	11,191	97,950
	<u>104,334</u>	<u>29,068</u>	<u>(46,643)</u>	<u>11,191</u>	<u>97,950</u>
Total restricted funds	<u>177,984</u>	<u>1,295,652</u>	<u>(1,289,716)</u>	<u>(2,000)</u>	<u>181,920</u>
Unrestricted funds					
General funds	6,254	-	-	-	6,254
	<u>6,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,254</u>
Total funds	<u>184,238</u>	<u>1,295,652</u>	<u>(1,289,716)</u>	<u>(2,000)</u>	<u>188,174</u>

15 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £39,445 (2016: £43,046).

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Pensions and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 9.9% for employers and 5.5 to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy 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	2017 £	2016 £
Employer's contributions	10,000	4,000
Employees' contributions	5,000	1,000
Total contributions	15,000	5,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.7	3.6
Rate of increase for pensions in payment	2.2	1.9
Discount rate	2.4	2.1
Inflation assumption (CPI)	2.2	1.8

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

	2017 Years	2016 Years
Retiring today		
- Males	22.9	22.6
- Females	26.1	25.3
Retiring in 20 years		
- Males	25.1	24.8
- Females	28.4	27.6

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Pensions and similar obligations

(Continued)

Changes in Assumptions	Liabilities	Assets	Deficit/ Surplus	Projected Service Cost for next year
	£	£	£	£
Discount rate + 0.1%	35,000	(23,000)	12,000	20,000
Inflation + 0.1%	36,000	(23,000)	13,000	21,000
Pay growth + 0.1%	35,000	(23,000)	12,000	20,000
1 year increase in life expectancy	36,000	(23,000)	13,000	21,000

The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	14,000	3,000
Bonds	4,000	1,000
Property	3,000	1,000
Other assets	2,000	-
Total market value of assets	23,000	5,000

Actual return on scheme assets - gain/(loss)	3,000	-
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Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	21,000	5,000
Interest cost	-	1,000
Total operating charge	21,000	6,000

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Pensions and similar obligations

(Continued)

Changes in the present value of defined benefit obligations **2017**
£

Obligations at 1 September 2016	9,000
Current service cost	20,000
Employee contributions	5,000
Actuarial loss	1,000
	<hr/>
At 31 August 2017	35,000
	<hr/> <hr/>

Changes in the fair value of the academy trust's share of scheme assets

2017
£

Assets at 1 September 2016	5,000
Actuarial gain	3,000
Employer contributions	10,000
Employee contributions	5,000
	<hr/>
At 31 August 2017	23,000
	<hr/> <hr/>

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £	Total 2017 £
Fund balances at 31 August 2017 are represented by:			
Tangible fixed assets	-	- 55,736	55,736
Current assets	9,588	81,133 -	90,721
Creditors falling due within one year	-	(72,793) -	(72,793)
Defined benefit pension liability	-	(12,000) -	(12,000)
	<hr/>	<hr/>	<hr/>
	9,588	(3,660) 55,736	61,664
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	97,950	97,950
Current assets	6,254	118,176	-	124,430
Creditors falling due within one year	-	(30,206)	-	(30,206)
Defined benefit pension liability	-	(4,000)	-	(4,000)
	<u>6,254</u>	<u>83,970</u>	<u>97,950</u>	<u>188,174</u>

17 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017 £	2016 £
Net (expenditure)/income for the reporting period	(128,510)	5,936
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(20,489)	(29,068)
Defined benefit pension costs less contributions payable	10,000	1,000
Defined benefit pension net finance cost/(income)	-	1,000
Depreciation of tangible fixed assets	61,955	46,643
Losses on disposals of fixed assets	262	-
Decrease in debtors	41,395	18,589
Increase/(Decrease) in creditors	42,587	(82,807)
Net cash provided by operating activities	<u>7,200</u>	<u>(38,707)</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	231,103	186,902
Amounts due in two and five years	19,585	466,123
	<u>250,688</u>	<u>653,025</u>

The Academy has entered into a non-cancellable lease for the rental of their premises of £235,020 per annum that is due to expire on 31 August 2019, with a break clause on 29 September 2018. The above commitments are shown until the lease break clause.

19 Related party transactions

During the year, The Pears Family Charitable Foundation School received a donation of £157,500 (2016: £149,900) from The Anna Freud Centre, the sponsor of the Trust. This donation was received as follows: £57,500 (2016: £57,000) as a benefit in kind for the two consultants 3 days a week, a research fellow & assistant once a month and support staff on an ad hoc basis; and £100,000 (2016: £92,900) as a donation towards building works and support costs. At the year end, no amounts were due from The Anna Freud Centre (2016: £35,855).

The gift in kind has been recognised at its open market value in the period in which it was receivable as incoming resources and was measured reliably using the staffs contracted pay grades. An equivalent amount has been included within expenditure in line with the school's accounting policy.

20 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.