

**Company Registration No. 08333607 (England and Wales)**

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

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# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Ms Brenda McHugh  
Mr Jonathan Robinson  
Prof Peter Fonagy  
Dame Ruth Runciman  
Prof Norah Frederickson (Resigned 19 February 2019)  
Prof Ian Goodyer (Resigned 19 February 2019)  
Mrs Peggy Ray  
Mr Michael Samuel  
Prof Mary Hepworth

### Trustees

Mr Neil Dawson (Vice-chair)  
Ms Ros Bidmead  
Mr Pierre Gosselin  
Prof Mary Hepworth (Chair until 19 November 2019)  
Mr Anthony Scrafton (staff) (Resigned 31 August 2019)  
Mrs Peggy Ray  
Mr Matthew Hillman (Accounting Officer) (Appointed 1 September 2018)  
Mr Stephen Taylor (Appointed 19 February 2019)  
Ms Rebecca Cockcroft (Appointed 19 March 2019)  
Prof John Cape (Chair from 20 November 2019) (Appointed 19 February 2019)  
Mr James Deasismont - Bennett (staff) (Appointed 19 March 2019)  
Mr Mark Martin (Parent Governor ) (Appointed 10 July 2019)  
Mr Andrew Thompson (Appointed 20 November 2019)  
Ms Katherine Gledhill (Appointed 18 September 2019)

### Senior management team

- Executive Headteacher
- Deputy Headteacher
- Head of Admin/Resources

Mr Matthew Hillman (Appointed 1 September 2018)  
Mr William Ross  
Mrs Linda Hooper

### Company secretary

Mrs Linda Hooper

### Company registration number

08333607 (England and Wales)

### Registered office

4-8 Rodney Street  
London  
N1 9JH

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Independent auditor**

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

### **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 2019**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Pears Family Charitable Foundation School, originally named The Westminster Family School London 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 at least 36 and had a roll of 29 in the last school census as at May 2019.

The financial statements cover the period of 12 months from 1 September 2018 to 31 August 2019.

#### **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 directors of the charitable company for the purposes of company law. The charitable company is known as The Pears Family Charitable Foundation School.

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 is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and are members and trustees of the Academy Trust. The number of trustees shall not be less than three. The trustees are elected at full governors meetings on the basis of their eligibility, personal competence, specialist skills and local availability.

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

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Organisational structure

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

The trustees 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 Head Teacher 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 Head Teacher 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 Head Teacher is responsible for the appointment of staff and a Governor presence is required for senior appointments.

The Head Teacher is the Accounting Officer.

### Arrangements for setting pay and remuneration of key management personnel

Managers and leaders within the school are employed under teachers pay and conditions. A salary range for each leadership position is agreed with governors after taking advice from HR consultant, Finance Lead and benchmarking against similar positions in similar schools.

The Finance and Resources Committee met on three occasions during the year. The purpose of those meetings was to ensure that performance management was being correctly carried out and to be informed by members of the whole staff in relation to performance and targets.

The Head Teacher and his targets are monitored. There is a pay policy agreed by the trustees which guides this whole process.

### Related parties and other connected charities and organisations

The school'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 object and aim of the academy is for the trust to provide a positive education service that looks to reintegrate pupils in a timely and appropriate basis to a mainstream school setting. Also, for the trust to retain its 'outstanding' OFSTED rating.

# **THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### Objectives, strategies and activities

The aims of the academy during the year ended 31 August 2019 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;
- 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 2019

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### Strategic report

#### Achievements and performance

##### Academic Progress

This data shows that students made outstanding progress 2018-19

**School performance and standards Sept 2018-July 2019. The school sets a challenging target of 80% of pupils to make outstanding progress from starting point ie progress that will move the pupil along the mastery continuum, cover appropriate curriculum content and fill missing gaps of learning.**

Criteria	Spoken Language	Reading	Writing	Maths
<i>Percentage of pupils across the school who have made expected or better progress</i>	86%	82%	77%	82%
<i>Percentage of PPG pupils who have made expected or better progress</i>	80%	80%	76%	75%
<i>Percentage of EAL pupils who have made expected or better progress</i>	100%	100%	100%	100%
<i>Percentage of phase 1 (yr 1-3) pupils who have made expected or better progress</i>	100%	80%	60%	100%
<i>Percentage of phase 2 (yr 4+5) pupils who have made expected or better progress</i>	80%	80%	100%	80%
<i>Percentage of phase 3 (yr 5-6) pupils who have made expected or better progress</i>	86%	86%	86%	72%
<i>Percentage of phase 4 (yr 7-9) pupils who have made expected or better progress</i>	80%	80%	80%	80%

#### SATs results 2019 (4 students)

Subject	Percentage met standard	Percentage exceeding
English Reading	50%	25%
English grammar, punctuation and spelling	75%	
Mathematics	25%	

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Key performance indicators

##### **Attendance**

Whole school attendance for the year ended August 2019 was 91.3% which is a slight increase from 2017-18. This figure is significantly above the national average for similar schools. In addition, individual student attendance show that students' attendance significantly increases at TFS compared with attendance at previous provision.

##### **Reintegration**

Children are exceptionally well prepared for the next stage of their education. The key purpose 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.

In summary:

- Over 65% of the pupils have or are in the process of being reintegrated back to their former place of education or a similar school that will best suit their needs moving forward;
- The vast majority of placements have been successful and sustained;
- Significantly more pupils return to a mainstream placement on reintegration after attending the school, when compared to the number of pupils initially referred from mainstream schools; and
- Pupils spend an average of 3-4 terms at The Family School before being ready for reintegration.

The following are the KPIs for the trust:

- Develop a culture of excellence in teaching, learning and assessment at key stage 1 and 2;
- Have a shared vision, values, culture and ethos based on the highest expectations of all members of the school community;
- To develop a culture of positive learning behaviour;
- To reintegrate pupils into mainstream schooling or appropriate special schooling if this is the best option for the child and family; and
- To ensure that pupils are exceptionally well prepared for the next stage of their education.

#### 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 Academy Trust receives its funding via two main sources, which firstly is the GAG and secondly 'top ups' from the various Local Authorities who commission school places at the trust. The trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants 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 expected useful life of the assets concerned.

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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A finance procedure document determines the way the school operates finances from day to day and this is informed by the Academies Financial Handbook issued by the ESFA. A Responsible Officer undertakes regular checks of procedure and reports directly to Trustees via the Trust Finance & Resources Committee. There were no significant issues requiring action identified during the year.

#### Reserves policy

Funds of £78,706 are held as at 31 August 2019 and are monitored via the trust's Finance & Resources Committee. They are used to support the medium-term financial planning process as well as being available to meet any unforeseen costs. 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 trust relies heavily on local authority 'top ups' and is fully aware of the financial pressure that is being placed on the Special Education Needs (SEN) element of the Dedicated Schools Grant. Also the trust is aware of further budgetary pressures arising from funding becoming tighter, staffing costs increasing through pay rises, increased NI costs and increased pension contributions together with inflationary pressures.

#### Investment policy

Any funds that are surplus to day to day requirements are retained in Barclays Bank Plc, if such funds materially increase over time, these will be deposited in short term or medium-term accounts in order to earn interest for the benefit of school funds. There are no social, environmental or ethical considerations necessary to take into account.

The security of any investment is paramount and will only be made once the board of trustees are satisfied that it does not pose a risk to the trust and that they will be made only with institutions approved by the board of trustees in the context of advice from a qualified accountant. Formal approval must be obtained from the board of trustees to proceed with any investment.

#### Principal risks and uncertainties

Trustees identified a potential risk that the funding is being provided in the form of 'top ups' from those local authorities who have commissioned school places. This risk is regularly reviewed via the Risk Register as well as being a core area of focus for the Head Teacher.

Trustees are being provided from 2018-19 with budget forecasts over a 3-year period. These indicate possible financial pressures in the future and are based on the latest funding formula information and assumes a static 'top up' income stream. However, expenditure is aligned to known pressures, inflation and incremental staff salary increases.

A risk register is maintained with all the significant risks identified and this is reviewed annually.



# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Fundraising

#### Approach to fundraising

Trustees are aware of the issue of fundraising and have also considered letting out the premises at the current temporary school building. However, taking risk and costs into account this is not seen as a viable option. Because of the overall ambition of Anna Freud to build in cooperation with the DfE, the school has had a longer period of time in its temporary accommodation and numbers have been kept below optimum. Anna Freud have been able to support the school through this initial period. It is expected that once this period is over and the school is in its purpose built premises then the school will develop a policy for fundraising. However, this may be viable once the school is relocated to the purpose-built school establishment in 2019.

The trustees have not engaged with any professional fundraisers or commercial participants.

### Plans for future periods

The trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. It will continue to attract high quality teachers and support staff in order to deliver its objectives and will continue with local schools to improve the educational opportunities for students in the wider community. Additionally, the school has recently moved into new premises in this academic year. This move will allow the school to further develop its links and symbiotic working relationship with the Anna Freud National Centre for Children and Families which in turn will further enhance the outcomes and life chances of the children and the families that attend the school.

### Funds held as custodian trustee on behalf of others


The 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, on 9/12/19 and signed on its behalf by:



Mr Neil Dawson  
Vice-chair

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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 Head Teacher, 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. He 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Neil Dawson (Vice-chair)	3	4
Ms Ros Bidmead	4	4
Mr Pierre Gosselin	3	4
Prof Mary Hepworth (Chair until 19 November 2019)	4	4
Mr Anthony Scrafton (staff) (Resigned 31 August 2019)	2	4
Mrs Peggy Ray	4	4
Mr Matthew Hillman (Accounting Officer) (Appointed 1 September 2018)	4	4
Mr Stephen Taylor (Appointed 19 February 2019)	2	2
Ms Rebecca Cockcroft (Appointed 19 March 2019)	1	2
Prof John Cape (Chair from 20 November 2019) (Appointed 19 February 2019)	2	2
Mr James Deasismont - Bennett (staff) (Appointed 19 March 2019)	2	2
Mr Mark Martin (Parent Governor ) (Appointed 10 July 2019)	1	1
Mr Andrew Thompson (Appointed 20 November 2019)	0	0
Ms Katherine Gledhill (Appointed 18 September 2019)	0	0

There have been a few changes to the board of trustees during the year 2018/19.

A competency audit was conducted during the year.

The quality of data used by the board is outstanding both in terms of assessment of pupils' progress and attainment and in terms of financial monitoring.



# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Finance and Resources committee is a sub-committee of the main Board of Trustees. Its purpose is to agree the budget for the school for the financial year and to recommend formal acceptance by the Board of Trustees. Budget projections and monitoring information is provided by the school finance team, which is supported by an externally commissioned qualified accountant. Experience shows that predictions are accurate, and the Trustees have confidence in the quality of information provided in order for them to make effective decisions. The committee met 3 times during the year.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Neil Dawson (Vice-chair)	3	3
Ms Ros Bidmead	3	3
Mr Pierre Gosselin	3	3
Mr Matthew Hillman (Accounting Officer) (Appointed 1 September 2018)	3	3

#### Review of value for money

The Accounting Officer 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:

- Maximising pupil placements and hence the core income stream of the academy;
- 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 in The Pears Family Charitable Foundation School for the period 1 September 2018 to 31 August 2019 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. These reports do not reveal any material issues to be dealt with.

## **THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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##### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 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 Resources 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 Fis-Ed Solutions Ltd as the 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 termly basis, the Responsible Officer reports to the board of trustees, through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. All reports during the year have found no material requirements for action.

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 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; and
- the work of the Finance Office within the academy trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and where weaknesses have been identified by the Responsible Officer.

Approved by order of the Board of Trustees on 9/12/19 and signed on its behalf by:



Mr Neil Dawson  
Vice-chair



Mr Matthew Hillman  
Accounting Officer

## THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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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 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 2018.

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 2018.

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 Matthew Hillman  
**Accounting Officer**

9/12/19

## THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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The trustees (who 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 Academies Accounts Direction 2018 to 2019 published by the Education & 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 2018 to 2019;
- 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 9/12/19 and signed on its behalf by:

  
Mr Neil Dawson  
Vice-chair



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PEARS FAMILY  
CHARITABLE FOUNDATION SCHOOL  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Opinion**

We have audited the accounts of The Pears Family Charitable Foundation School for the year ended 31 August 2019 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 2018 to 2019 issued by the Education & 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 2019 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 2018 to 2019.

**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)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**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.

**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 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)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 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.

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PEARS FAMILY  
CHARITABLE FOUNDATION SCHOOL (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**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.



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

10/12/2019

Chartered Accountants  
Statutory Auditor

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 8 December 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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.

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 2018 to 31 August 2019 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: *10/12/2019*

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	157,000	19,317	176,317	188,576
Charitable activities:						
- Funding for educational operations	4	-	1,417,989	-	1,417,989	1,368,246
Other trading activities	5	2,400	-	-	2,400	4,959
<b>Total income and endowments</b>		<u>2,400</u>	<u>1,574,989</u>	<u>19,317</u>	<u>1,596,706</u>	<u>1,561,781</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	609	1,494,991	39,404	1,535,004	1,550,739
<b>Total expenditure</b>	6	<u>609</u>	<u>1,494,991</u>	<u>39,404</u>	<u>1,535,004</u>	<u>1,550,739</u>
<b>Net income/(expenditure)</b>		1,791	79,998	(20,087)	61,702	11,042
Transfers between funds		-	(23,740)	23,740	-	-
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	15	-	(19,000)	-	(19,000)	6,000
<b>Net movement in funds</b>		<u>1,791</u>	<u>37,258</u>	<u>3,653</u>	<u>42,702</u>	<u>17,042</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		14,001	30,429	34,276	78,706	61,664
Total funds carried forward		<u>15,792</u>	<u>67,687</u>	<u>37,929</u>	<u>121,408</u>	<u>78,706</u>



**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Comparative year information Year ended 31 August 2018</b>	<b>Notes</b>	<b>Unrestricted Funds £</b>	<b>Restricted funds: General £</b>	<b>Fixed asset £</b>	<b>Total 2018 £</b>
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	176,750	11,826	188,576
Charitable activities:					
- Funding for educational operations	4	-	1,368,246	-	1,368,246
Other trading activities	5	4,959	-	-	4,959
<b>Total income and endowments</b>		<u>4,959</u>	<u>1,544,996</u>	<u>11,826</u>	<u>1,561,781</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	546	1,520,400	29,793	1,550,739
<b>Total expenditure</b>	6	<u>546</u>	<u>1,520,400</u>	<u>29,793</u>	<u>1,550,739</u>
<b>Net income/(expenditure)</b>		4,413	24,596	(17,967)	11,042
Transfers between funds		-	3,493	(3,493)	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	15	-	6,000	-	6,000
<b>Net movement in funds</b>		<u>4,413</u>	<u>34,089</u>	<u>(21,460)</u>	<u>17,042</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		9,588	(3,660)	55,736	61,664
Total funds carried forward		<u>14,001</u>	<u>30,429</u>	<u>34,276</u>	<u>78,706</u>

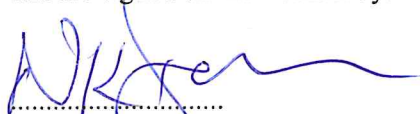
# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	11		33,832		31,666
<b>Current assets</b>					
Debtors	12	64,334		30,714	
Cash at bank and in hand		234,701		120,913	
		<u>299,035</u>		<u>151,627</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(155,459)		(84,587)	
<b>Net current assets</b>			143,576		67,040
<b>Net assets excluding pension liability</b>			177,408		98,706
Defined benefit pension scheme liability	15		(56,000)		(20,000)
<b>Total net assets</b>			<u>121,408</u>		<u>78,706</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	14				
- Fixed asset funds			37,929		34,276
- Restricted income funds			123,687		50,429
- Pension reserve			(56,000)		(20,000)
<b>Total restricted funds</b>			<u>105,616</u>		<u>64,705</u>
<b>Unrestricted income funds</b>	14		15,792		14,001
<b>Total funds</b>			<u>121,408</u>		<u>78,706</u>

The accounts on pages 22 to 47 were approved by the Trustees and authorised for issue on 9/12/19 and are signed on their behalf by:

  
 .....  
 Mr Neil Dawson  
 Vice-chair

Company Number 08333607

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	17		136,041		77,815
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		19,317		11,826	
Purchase of tangible fixed assets		(41,570)		(5,723)	
<b>Net cash (used in)/provided by investing activities</b>			(22,253)		6,103
<b>Net increase in cash and cash equivalents in the reporting period</b>			113,788		83,918
Cash and cash equivalents at beginning of the year			120,913		36,995
<b>Cash and cash equivalents at end of the year</b>			234,701		120,913

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### **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 2018 to 2019 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

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 2019

---

#### 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 2019

---

#### 1 Accounting policies

(Continued)

##### 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 Leased assets

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

##### 1.8 Financial instruments

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

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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 projected unit 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 PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

### 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.

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 2 Critical accounting estimates and areas of judgement

(Continued)

#### 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 2 Critical accounting estimates and areas of judgement

(Continued)

##### *(1) The "McCloud/Sargeant judgement".*

This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by 3.5% of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 15, of £4,000.

There will also be an increase in the cost of benefits from 1 September 2019.

##### *(2) Guaranteed Minimum Pension (GMP).*

GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

##### *(3) Discount rates.*

There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

##### *(4) Mortality assumptions.*

Details of the changes in mortality assumptions are shown in note 15. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

##### Critical areas of judgement

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

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	19,317	19,317	11,826
Other donations	-	157,000	157,000	176,750
	-	176,317	176,317	188,576

During the year, The Pears Family Charitable Foundation School received a donation of £157,000 (2018: £176,750) from The Anna Freud Centre. This donation was received as follows: £57,000 (2018: £76,750) 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 (2018: £100,000) 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 (2018: £nil).

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	338,324	338,324	337,993
Other DfE group grants	-	187,769	187,769	247,334
	-	526,093	526,093	585,327
<b>Other government grants</b>				
Local authority grants	-	891,896	891,896	782,919
<b>Total funding</b>	-	1,417,989	1,417,989	1,368,246

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**5 Other trading activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Hire of facilities	-	-	-	1,440
Other income	2,400	-	2,400	3,519
	<u>2,400</u>	<u>-</u>	<u>2,400</u>	<u>4,959</u>

**6 Expenditure**

	<b>Staff costs £</b>	<b>Non Pay Expenditure Premises £</b>	<b>Other £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Academy's educational operations					
- Direct costs	866,547	-	103,962	970,509	951,239
- Allocated support costs	154,886	274,648	134,961	564,495	599,500
	<u>1,021,433</u>	<u>274,648</u>	<u>238,923</u>	<u>1,535,004</u>	<u>1,550,739</u>

**Net income/(expenditure) for the year includes:**

	<b>2019 £</b>	<b>2018 £</b>
Fees payable to auditor for audit services	9,950	9,000
Operating lease rentals	176,269	235,851
Depreciation of tangible fixed assets	39,404	29,793
Net interest on defined benefit pension liability	2,000	1,000
	<u></u>	<u></u>



**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**7 Charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	609	969,900	970,509	951,239
<b>Support costs</b>				
Educational operations	-	564,495	564,495	599,500
	<u>609</u>	<u>1,534,395</u>	<u>1,535,004</u>	<u>1,550,739</u>
			<b>2019</b> £	<b>2018</b> £
<b>Analysis of support costs</b>				
Support staff costs			154,886	129,143
Depreciation			39,404	29,793
Technology costs			12,864	13,427
Premises costs			235,244	291,745
Other support costs			108,382	107,623
Governance costs			13,715	27,769
			<u>564,495</u>	<u>599,500</u>

**8 Staff**

**Staff costs**

Staff costs during the year were:

	<b>2019</b> £	<b>2018</b> £
Wages and salaries	649,171	571,085
Social security costs	65,527	61,283
Pension costs	78,383	67,573
Amounts paid to employees	<u>793,081</u>	<u>699,941</u>
Agency staff costs	<u>228,352</u>	<u>276,473</u>
Amounts paid to staff	1,021,433	976,414
Staff development and other staff costs	8,944	744
Total staff expenditure	<u>1,030,377</u>	<u>977,158</u>

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**8 Staff** **(Continued)**

**Staff numbers**

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Teachers	6	3
Administration and support	10	9
Management	3	4
	<hr/>	<hr/>
	19	16
	<hr/>	<hr/>

**Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	-	1
£70,001- £80,000	1	-
£90,001- £100,000	-	1
	<hr/>	<hr/>

**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 £174,563 (2018: £222,357).

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 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 (2018: £nil) were reimbursed to Trustees.

The value of Trustees' remuneration was as follows:

M Hillman (Head teacher and Trustee - Appointed on 1 September 2018)

remuneration: £75,000 - £80,000 (2018: £Nil)

pension: £10,000 - £15,000 (2018: £Nil)

A Scrafton (Staff Trustee)

remuneration: £40,000 - £45,000 (2018: £50,000-£55,000)

pension: £5,000 - £10,000 (2018: £5,000-£10,000)

J Deasismont - Bennett (Staff Trustee - Appointed on 19 March 2019)

remuneration: £25,000 - £30,000 (2018: £Nil)

pension: £nil (2018: £nil)

### 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.

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**11 Tangible fixed assets**

	Leasehold Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2018	135,246	64,180	19,305	218,731
Additions	-	41,570	-	41,570
	<u>135,246</u>	<u>105,750</u>	<u>19,305</u>	<u>260,301</u>
At 31 August 2019	135,246	105,750	19,305	260,301
<b>Depreciation</b>				
At 1 September 2018	116,074	60,328	10,663	187,065
Charge for the year	19,172	16,372	3,860	39,404
	<u>135,246</u>	<u>76,700</u>	<u>14,523</u>	<u>226,469</u>
At 31 August 2019	135,246	76,700	14,523	226,469
<b>Net book value</b>				
At 31 August 2019	-	29,050	4,782	33,832
	<u>19,172</u>	<u>3,852</u>	<u>8,642</u>	<u>31,666</u>
At 31 August 2018	19,172	3,852	8,642	31,666

**12 Debtors**

	2019 £	2018 £
Trade debtors	21,460	-
VAT recoverable	3,249	11,195
Other debtors	4,068	3,944
Prepayments and accrued income	35,557	15,575
	<u>64,334</u>	<u>30,714</u>

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>13 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	336	415
Other creditors	59,256	-
Accruals and deferred income	95,867	84,172
	<u>155,459</u>	<u>84,587</u>

Included within accruals and deferred income is an ESFA creditor of £60,000 (2018: £60,000). This relates to a potential clawback on funding for the 2016/17 financial year.

The other creditors balance is also due to the ESFA. This is a result of an overpayment received in respect of rent relating to the premises occupied by the academy. Although the lease for the premises was due to terminate on 31 August 2019, it was terminated early; the rent for the final quarter that was already received from ESFA is therefore now repayable.

**14 Funds**

	<b>Balance at 1 September 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2019 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	50,429	338,324	(241,326)	(23,740)	123,687
Other DfE / ESFA grants	3,000	187,769	(190,769)	-	-
Other government grants	(3,000)	891,896	(888,896)	-	-
Other restricted funds	-	157,000	(157,000)	-	-
Pension reserve	(20,000)	-	(17,000)	(19,000)	(56,000)
	<u>30,429</u>	<u>1,574,989</u>	<u>(1,494,991)</u>	<u>(42,740)</u>	<u>67,687</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	34,276	19,317	(39,404)	23,740	37,929
	<u>34,276</u>	<u>19,317</u>	<u>(39,404)</u>	<u>23,740</u>	<u>37,929</u>
<b>Total restricted funds</b>	<u>64,705</u>	<u>1,594,306</u>	<u>(1,534,395)</u>	<u>(19,000)</u>	<u>105,616</u>
<b>Unrestricted funds</b>					
General funds	14,001	2,400	(609)	-	15,792
	<u>14,001</u>	<u>2,400</u>	<u>(609)</u>	<u>-</u>	<u>15,792</u>
<b>Total funds</b>	<u>78,706</u>	<u>1,596,706</u>	<u>(1,535,004)</u>	<u>(19,000)</u>	<u>121,408</u>

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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 2019.

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 capital grants not covering the full cost of additions in the year.



**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**14 Funds**

**(Continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	45,284	337,993	(336,341)	3,493	50,429
Other DfE / ESFA grants	-	247,334	(244,334)	-	3,000
Other government grants	(36,944)	782,919	(748,975)	-	(3,000)
Other restricted funds	-	176,750	(176,750)	-	-
Pension reserve	(12,000)	-	(14,000)	6,000	(20,000)
	<u>(3,660)</u>	<u>1,544,996</u>	<u>(1,520,400)</u>	<u>9,493</u>	<u>30,429</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	<u>55,736</u>	<u>11,826</u>	<u>(29,793)</u>	<u>(3,493)</u>	<u>34,276</u>
<b>Total restricted funds</b>	<u>52,076</u>	<u>1,556,822</u>	<u>(1,550,193)</u>	<u>6,000</u>	<u>64,705</u>
<b>Unrestricted funds</b>					
General funds	<u>9,588</u>	<u>4,959</u>	<u>(546)</u>	<u>-</u>	<u>14,001</u>
<b>Total funds</b>	<u>61,664</u>	<u>1,561,781</u>	<u>(1,550,739)</u>	<u>6,000</u>	<u>78,706</u>

**15 Pension and similar obligations**

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

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 15 Pension and similar obligations

(Continued)

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

###### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

###### Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 £48,133 (2018: £39,725).

# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 15 Pension and similar obligations

(Continued)

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit 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	2019 £	2018 £
Employer's contributions	15,000	15,000
Employees' contributions	7,000	7,000
Total contributions	22,000	22,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**15 Pension and similar obligations**

**(Continued)**

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	23.1	23.0
- Females	26.3	26.2
Retiring in 20 years		
- Males	25.3	25.2
- Females	28.6	28.5

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

	<b>2019</b>	<b>2018</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	41,000	26,000
Bonds	8,000	8,000
Property	13,000	7,000
Other assets	8,000	4,000
Total market value of assets	70,000	45,000

The actual return on scheme assets was £3,000 (2018: £nil).

**Amount recognised in the Statement of Financial Activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	26,000	28,000
Past service cost	4,000	-
Interest income	(1,000)	-
Interest cost	2,000	1,000
Administration expenses	1,000	-
Total operating charge	32,000	29,000

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**15 Pension and similar obligations**

**(Continued)**

<b>Changes in the present value of defined benefit obligations</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 September 2018	65,000	35,000
Current service cost	26,000	28,000
Interest cost	3,000	1,000
Employee contributions	7,000	7,000
Actuarial loss/(gain)	21,000	(6,000)
Past service cost	4,000	-
	<u>126,000</u>	<u>65,000</u>
At 31 August 2019	<u>126,000</u>	<u>65,000</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>		
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 September 2018	45,000	23,000
Interest income	1,000	-
Actuarial gain	2,000	-
Employer contributions	15,000	15,000
Employee contributions	7,000	7,000
	<u>70,000</u>	<u>45,000</u>
At 31 August 2019	<u>70,000</u>	<u>45,000</u>

**16 Analysis of net assets between funds**

	<b>Unrestricted Funds</b>	<b>Restricted funds:</b>		<b>Total Funds</b>
	<b>£</b>	<b>General</b>	<b>Fixed asset</b>	<b>£</b>
		<b>£</b>	<b>£</b>	
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	33,832	33,832
Current assets	15,792	279,146	4,097	299,035
Creditors falling due within one year	-	(155,459)	-	(155,459)
Defined benefit pension liability	-	(56,000)	-	(56,000)
	<u>15,792</u>	<u>67,687</u>	<u>37,929</u>	<u>121,408</u>
<b>Total net assets</b>	<u>15,792</u>	<u>67,687</u>	<u>37,929</u>	<u>121,408</u>

**THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**16 Analysis of net assets between funds**

**(Continued)**

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General £</b>	<b>Fixed asset £</b>	<b>Total Funds £</b>
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	31,666	31,666
Current assets	14,001	135,016	2,610	151,627
Creditors falling due within one year	-	(84,587)	-	(84,587)
Defined benefit pension liability	-	(20,000)	-	(20,000)
<b>Total net assets</b>	<b>14,001</b>	<b>30,429</b>	<b>34,276</b>	<b>78,706</b>

**17 Reconciliation of net income to net cash flow from operating activities**

	<b>2019 £</b>	<b>2018 £</b>
Net income/(expenditure) for the reporting period	61,702	11,042
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(19,317)	(11,826)
Defined benefit pension costs less contributions payable	15,000	13,000
Defined benefit pension net finance cost	2,000	1,000
Depreciation of tangible fixed assets	39,404	29,793
(Increase)/decrease in debtors	(33,620)	23,012
Increase in creditors	70,872	11,794
<b>Net cash provided by operating activities</b>	<b>136,041</b>	<b>77,815</b>



# THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 18 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	-	235,020

The academy has moved to new premises in 2019. The lease for the new building is not yet finalised and is currently an implied 'tenancy at will'. Any rental or lease payments due under the temporary lease, a new permanent lease or arising from an implied 'tenancy at will' lease, will be met by the DfE, and not by the trust.

There will be no impact on the net assets or reserves of the trust as at 31 August 2019 and the lease is expected to be finalised in 2019-20.

#### 19 Related party transactions

During the year, The Pears Family Charitable Foundation School received a donation of £157,000 (2018: £176,750) from The Anna Freud Centre, the sponsor of the Trust. This donation was received as follows: £57,000 (2018: £76,750) 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 (2018: £100,000) as a donation towards building works and support costs. At the year end, no amounts were due from The Anna Freud Centre (2018: £nil).

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.

During the year, the academy provided season ticket loan of £4,068 (2018: £6,344) to Mr Matthew Hillman, the Executive Head Teacher. As at year end, £4,068 (2018: £3,944) is receivable from him.

#### 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.

