

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 2018**

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

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

Trustees

Mr Neil Dawson (Trustee)
Ms Ros Bidmead
Mr Pierre Gosselin
Mr Stephen Taylor (Accounting Officer) (Resigned 31 August 2018)
Prof Mary Target
Ms Laura Davies (staff) (Resigned 31 August 2018)
Mr Anthony Scrafton (staff)
Mrs Peggy Ray
Mr Nigel Smith (Resigned 7 June 2018)
Mr Matthew Hillman (Accounting Officer) (Appointed 1 September 2018)

Senior management team

- Headteacher	Mr Stephen Taylor (resigned 31 August 2018)
- Headteacher	Mr Matthew Hillman (appointed 1 September 2018)
- Deputy Headteacher	Mr Matthew Hillman (resigned 31 August 2018)
- Head of Admin/Resources	Mrs Linda Hooper

Company secretary

Mrs Linda Hooper (appointed 19 December 2017)
Mrs Natalie Merrett (resigned 18 December 2017)

Company registration number

08333607 (England and Wales)

Registered office

Anna Freud Centre
12 Maresfield Gardens
London
NW3 5SU

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

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 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Pears Family Charitable Foundation, 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 48 and had a roll of 30 in the last school census as at May 2018.

The financial statements cover the period of 12 months from 1 September 2017 to 31 August 2018.

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 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 2018

Organisational structure

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

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

The trustees have devolved responsibility for day to day management of the 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 trustee 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 bench marking against similar positions in similar schools.

Committee met on two occasions during the year and the purpose of those meetings was to ensure that performance management was being correctly carried out during the year and to be informed of members of the whole staff around performance and targets.

The Head Teacher with 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 2018

Objectives, strategies and activities

The aims of the Academy during the year ended 31 August 2018 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 2018

Strategic report

Achievements and performance

Whole School

Outstanding	Good
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	Spoken language		Reading		Writing		Maths	
Progress points	45	60	45	60	45	60	45	60
Target	80%	40%	80%	40%	80%	40%	80%	40%
Group								
PPG	85%	41%	84%	42%	84%	58%	84%	51%
EHCP	86%	48%	84%	41%	82%	47%	82%	38%
EAL	92%	60%	100%	75%	98%	50%	100%	50%
LAC/SGO	81%	25%	80%	20%	90%	25%	100%	40%
Males	80%	42%	81%	48%	86%	48%	82%	44%
Females	100%	62%	100%	67%	100%	33%	100%	67%
CIN/CP	90%	42%	85%	40%	92%	54%	92%	58%
Phase 1 (Yr 1-3)	84%	42%	83%	50%	66%	66%	66%	66%
Phase 2 (Yr 4-6)	84%	60%	100%	77%	82%	86%	100%	77%
Phase 3 (Yr 7-9)	86%	42%	82%	27%	91%	27%	91%	45%

This data shows that students made outstanding progress 2017-18.

Key performance indicators

Attendance

Whole school attendance for the year ending July 2018 was 91%. 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.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

In summary:

- 60% of pupils reintegrated back to their former place of education or a similar school;
- 95% of placements have been successful and sustained;
- 78% of pupils return to a mainstream placement on reintegration, while only 42% are referred from mainstream schools;
- Pupils spend an average of only 3.4 terms at The Family School before being ready for reintegration.

The following are the KPI's 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;
- To develop a culture of positive learning behaviour;
- To reintegrate pupils into mainstream schooling;
- 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 SAT 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.

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

Reserves of £78,706 are held as at 31 August 2018 and are monitored by the trustees. They are used to support the medium-term financial planning process as well as being available to meet any unforeseen cost. 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.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

Any, 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 the funding 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.

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 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 is expected to move into new premises at the start of the next academic year.

Funds held as custodian trustee on behalf of others

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 5/12/18 and signed on its behalf by:



.....
Mr Neil Dawson

Trustee

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 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 (Trustee)	3	3
Ms Ros Bidmead	3	3
Mr Pierre Gosselin	2	3
Mr Stephen Taylor (Accounting Officer) (Resigned 31 August 2018)	2	3
Prof Mary Target	3	3
Ms Laura Davies (staff) (Resigned 31 August 2018)	3	3
Mr Anthony Scrafton (staff)	3	3
Mrs Peggy Ray	1	3
Mr Nigel Smith (Resigned 7 June 2018)	0	2
Mr Matthew Hillman (Accounting Officer) (Appointed 1 September 2018)	0	0

There have been no significant changes to the board of trustees during the year 2017/18.

A competency audit was conducted during the year.

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

The Finance, Premises & HR 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 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 2 times during the year. Due to severe weather, 1 of the scheduled 3 meetings had to be cancelled.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Neil Dawson (Trustee)	2	2
Ms Ros Bidmead	1	2
Mr Pierre Gosselin	2	2
Mr Stephen Taylor (Accounting Officer) (Resigned 31 August 2018)	2	2

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Pears Family Charitable Foundation School for the period 1 September 2017 to 31 August 2018 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.

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 2017 to 31 August 2018 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 PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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;

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 quarterly 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.

Review of effectiveness

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

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Approved by order of the Board of Trustees on 5/12/18 and signed on its behalf by:



Mr Neil Dawson
Trustee



Mr Matthew Hillman
Accounting Officer

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE


FOR THE YEAR ENDED 31 AUGUST 2018

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 2017.

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 2017.

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


.....
5/12/18

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued 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 2017 to 2018;
- 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 5/12/18 and signed on its behalf by:



Mr Neil Dawson
Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PEARS FAMILY
CHARITABLE FOUNDATION SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2018**

Opinion

We have audited the accounts of The Pears Family Charitable Foundation School for the year ended 31 August 2018 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 2017 to 2018 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 2018 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 2017 to 2018.

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 2018**

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 2018**

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.

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**

6/12/18
.....

**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 2018**

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 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL AND
THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 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 2017 to 31 August 2018 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: 6/12/18

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	-	176,750	11,826	188,576	177,989
Charitable activities:						
- Funding for educational operations	4	-	1,368,246	-	1,368,246	1,231,725
Other trading activities	5	4,959	-	-	4,959	3,750
Total income and endowments		<u>4,959</u>	<u>1,544,996</u>	<u>11,826</u>	<u>1,561,781</u>	<u>1,413,464</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	546	1,520,400	29,793	1,550,739	1,541,974
Total expenditure	6	<u>546</u>	<u>1,520,400</u>	<u>29,793</u>	<u>1,550,739</u>	<u>1,541,974</u>
Net income/(expenditure)		4,413	24,596	(17,967)	11,042	(128,510)
Transfers between funds		-	3,493	(3,493)	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	15	-	6,000	-	6,000	2,000
Net movement in funds		<u>4,413</u>	<u>34,089</u>	<u>(21,460)</u>	<u>17,042</u>	<u>(126,510)</u>
Reconciliation of funds						
Total funds brought forward		9,588	(3,660)	55,736	61,664	188,174
Total funds carried forward		<u>14,001</u>	<u>30,429</u>	<u>34,276</u>	<u>78,706</u>	<u>61,664</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Income and endowments from:					
Donations and capital grants	3	-	157,500	20,489	177,989
Charitable activities:					
- Funding for educational operations	4	-	1,231,725	-	1,231,725
Other trading activities	5	3,750	-	-	3,750
Total income and endowments		<u>3,750</u>	<u>1,389,225</u>	<u>20,489</u>	<u>1,413,464</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	901	1,478,855	62,218	1,541,974
Total expenditure	6	<u>901</u>	<u>1,478,855</u>	<u>62,218</u>	<u>1,541,974</u>
Net income/(expenditure)		2,849	(89,630)	(41,729)	(128,510)
Transfers between funds		485	-	(485)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	15	-	2,000	-	2,000
Net movement in funds		<u>3,334</u>	<u>(87,630)</u>	<u>(42,214)</u>	<u>(126,510)</u>
Reconciliation of funds					
Total funds brought forward		6,254	83,970	97,950	188,174
Total funds carried forward		<u>9,588</u>	<u>(3,660)</u>	<u>55,736</u>	<u>61,664</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		31,666		55,736
Current assets					
Debtors	12	30,714		53,726	
Cash at bank and in hand		120,913		36,995	
		<u>151,627</u>		<u>90,721</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(84,587)		(72,793)	
Net current assets			67,040		17,928
Net assets excluding pension liability			<u>98,706</u>		<u>73,664</u>
Defined benefit pension scheme liability	15	(20,000)		(12,000)	
Net assets			<u>78,706</u>		<u>61,664</u>
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			34,276		55,736
- Restricted income funds			50,429		8,340
- Pension reserve			(20,000)		(12,000)
Total restricted funds			<u>64,705</u>		<u>52,076</u>
Unrestricted income funds	14		14,001		9,588
Total funds			<u>78,706</u>		<u>61,664</u>

The accounts on pages 21 to 44 were approved by the Trustees and authorised for issue on 5/12/18 and are signed on their behalf by:



Mr Neil Dawson
Trustee

Company Number 08333607

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by operating activities	17		77,815		7,200
Cash flows from investing activities					
Capital grants from DfE Group		11,826		20,489	
Purchase of tangible fixed assets		(5,723)		(20,003)	
Net cash provided by investing activities			6,103		486
Net increase in cash and cash equivalents in the reporting period			83,918		7,686
Cash and cash equivalents at beginning of the year			36,995		29,309
Cash and cash equivalents at end of the year			120,913		36,995

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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 2018

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 2018

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 2018

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 2018

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.

1.11 Fund accounting

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

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

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	11,826	11,826	20,489
Other donations	-	176,750	176,750	157,500
	<u>-</u>	<u>188,576</u>	<u>188,576</u>	<u>177,989</u>

During the year, The Pears Family Charitable Foundation School received a donation of £176,750 (2017: £157,500) from The Anna Freud Centre. This donation was received as follows: £76,750 (2017: £57,500) 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 (2017: £100,00) 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 (2017: £nil).

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	337,993	337,993	515,495
Other DfE group grants	-	247,334	247,334	35,931
	<u>-</u>	<u>585,327</u>	<u>585,327</u>	<u>551,426</u>
Other government grants				
Local authority grants	-	782,919	782,919	680,299
	<u>-</u>	<u>782,919</u>	<u>782,919</u>	<u>680,299</u>
Total funding	<u>-</u>	<u>1,368,246</u>	<u>1,368,246</u>	<u>1,231,725</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	1,440	-	1,440	1,500
Other income	3,519	-	3,519	2,250
	<u>4,959</u>	<u>-</u>	<u>4,959</u>	<u>3,750</u>

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2018 £	Total 2017 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	848,015	-	103,224	951,239	953,496
- Allocated support costs	129,143	321,538	148,819	599,500	588,478
	<u>977,158</u>	<u>321,538</u>	<u>252,043</u>	<u>1,550,739</u>	<u>1,541,974</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2018	2017
	£	£
Fees payable to auditor for audit services	9,000	9,000
Operating lease rentals	235,851	188,020
Depreciation of tangible fixed assets	29,793	61,956
Loss on disposal of fixed assets	-	262
Administrative expenses on defined benefit pension liability	1,000	-
	<u> </u>	<u> </u>

7 Charitable activities

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2018	2017
			£	£
Direct costs				
Educational operations	546	950,693	951,239	953,496
Support costs				
Educational operations	-	599,500	599,500	588,478
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	546	1,550,193	1,550,739	1,541,974
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	2018	2017
	£	£
Analysis of support costs		
Support staff costs	129,143	145,725
Depreciation	29,793	62,218
Technology costs	13,427	9,606
Premises costs	291,745	241,471
Other support costs	107,623	112,891
Governance costs	27,769	16,567
	<u> </u>	<u> </u>
	599,500	588,478
	<u> </u>	<u> </u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	571,085	523,405
Social security costs	61,283	56,593
Pension costs	67,573	60,893
Staff costs	699,941	640,891
Agency staff costs	276,473	361,957
Staff development and other staff costs	744	2,763
Total staff expenditure	977,158	1,005,611

Staff numbers

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

	2018 Number	2017 Number
Teachers	3	4
Administration and support	9	6
Management	4	4
	16	14

Higher paid staff

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

	2018 Number	2017 Number
£90,001 - £100,000	1	1
£60,001 - £70,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £222,356 (2017: £217,970).

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 (2017: £nil) were reimbursed to Trustees.

The value of Trustees' remuneration was as follows:

S Taylor (Head teacher and Trustee - resigned on 31 August 2018)

remuneration: £95,000 - £100,000 (2017: £95,000-£100,000)

pension: £15,000 - £20,000 (2017: £15,000-£20,000)

A Scafton (Staff Trustee)

remuneration: £50,000 - £55,000 (2017: £50,000-£55,000)

pension: £5,000 - £10,000 (2017: £5,000-£10,000)

L Davies (Staff Trustee - resigned on 31 August 2018)

remuneration: £50,000 - £55,000 (2017: £50,000-£55,000)

pension: £nil (2017: £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 2018

11 Tangible fixed assets

	Leasehold Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2017	135,246	60,657	17,105	213,008
Additions	-	3,523	2,200	5,723
At 31 August 2018	135,246	64,180	19,305	218,731
Depreciation				
At 1 September 2017	96,255	54,215	6,802	157,272
Charge for the year	19,819	6,113	3,861	29,793
At 31 August 2018	116,074	60,328	10,663	187,065
Net book value				
At 31 August 2018	19,172	3,852	8,642	31,666
At 31 August 2017	38,991	6,442	10,303	55,736

12 Debtors

	2018	2017
	£	£
VAT recoverable	11,195	13,595
Other debtors	3,944	-
Prepayments and accrued income	15,575	40,131
	30,714	53,726

13 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	415	91
ESFA creditors	-	4,585
Other creditors	-	117
Accruals and deferred income	84,172	68,000
	84,587	72,793

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
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>
Restricted fixed asset funds					
DfE group capital grants	<u>55,736</u>	<u>11,826</u>	<u>(29,793)</u>	<u>(3,493)</u>	<u>34,276</u>
Total restricted funds	<u>52,076</u>	<u>1,556,822</u>	<u>(1,550,193)</u>	<u>6,000</u>	<u>64,705</u>
Unrestricted funds					
General funds	<u>9,588</u>	<u>4,959</u>	<u>(546)</u>	<u>-</u>	<u>14,001</u>
Total funds	<u>61,664</u>	<u>1,561,781</u>	<u>(1,550,739)</u>	<u>6,000</u>	<u>78,706</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018.

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

Other DfE/ESFA and government grants

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

Fixed asset fund

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

Transfer between funds

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Funds

(Continued)

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

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

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 the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £39,725 (2017: £39,445).

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.

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Pension and similar obligations

(Continued)

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 % for employers and % 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	2018 £	2017 £
Employer's contributions	15,000	10,000
Employees' contributions	7,000	5,000
Total contributions	22,000	15,000

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.6	3.7
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	2.8	2.4
Inflation assumption (CPI)	2.1	2.2

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

	2018 Years	2017 Years
Retiring today		
- Males	23.0	22.9
- Females	26.2	26.1
Retiring in 20 years		
- Males	25.2	25.1
- Females	28.5	28.4

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

15 Pension and similar obligations

(Continued)

	2018	2017
	£	£
Discount rate + 0.1%	(1,000)	-
Inflation + 0.1%	1,000	(1,000)
Pay growth + 0.1%	-	-
1 year increase in life expectancy	-	-
	<u> </u>	<u> </u>

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

	2018	2017
	Fair value	Fair value
	£	£
Equities	26,000	14,000
Bonds	8,000	4,000
Property	7,000	3,000
Other assets	4,000	2,000
	<u> </u>	<u> </u>
Total market value of assets	45,000	23,000
	<u> </u>	<u> </u>

The actual return on scheme assets was £2,000 (2017: £1,000).

Amount recognised in the Statement of Financial Activities

	2018	2017
	£	£
Current service cost	28,000	21,000
Administration expenses	1,000	-
	<u> </u>	<u> </u>
Total operating charge	29,000	21,000
	<u> </u>	<u> </u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2018	2017
	£	£
At 1 September 2017	35,000	9,000
Current service cost	28,000	20,000
Interest cost	1,000	-
Employee contributions	7,000	5,000
Actuarial (gain)/loss	(6,000)	1,000
	<u>65,000</u>	<u>35,000</u>
At 31 August 2018	<u>65,000</u>	<u>35,000</u>

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

	2018	2017
	£	£
At 1 September 2017	23,000	5,000
Actuarial gain	-	3,000
Employer contributions	15,000	10,000
Employee contributions	7,000	5,000
	<u>45,000</u>	<u>23,000</u>
At 31 August 2018	<u>45,000</u>	<u>23,000</u>

16 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2018 are represented by:				
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)
	<u>14,001</u>	<u>30,429</u>	<u>34,276</u>	<u>78,706</u>
Total net assets	<u>14,001</u>	<u>30,429</u>	<u>34,276</u>	<u>78,706</u>

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Analysis of net assets between funds

(Continued)

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

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period	11,042	(128,510)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(11,826)	(20,489)
Defined benefit pension costs less contributions payable	13,000	10,000
Defined benefit pension net finance cost	1,000	-
Depreciation of tangible fixed assets	29,793	61,955
Loss on disposal of fixed assets	-	262
Decrease in debtors	23,012	41,395
Increase in creditors	11,794	42,587
Net cash provided by operating activities	77,815	7,200

THE PEARS FAMILY CHARITABLE FOUNDATION SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	235,020	231,103
Amounts due in two and five years	-	19,585
	<u>235,020</u>	<u>250,688</u>

The Academy has entered into a non-cancellable lease for the rental of their premises of £235,020 per annum that is due to expire on 31 August 2019.

19 Related party transactions

During the year, The Pears Family Charitable Foundation School received a donation of £176,750 (2017: £157,500) from The Anna Freud Centre, the sponsor of the Trust. This donation was received as follows: £76,750 (2017: £57,500) 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 (2017: £100,000) as a donation towards building works and support costs. At the year end, no amounts were due from The Anna Freud Centre (2017: £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 £6,344 to Mr Matthew Hillman, the Head Teacher. As at year end £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.