

FAIRFAX MULTI ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 18
Governance statement	19 - 22
Statement on regularity, propriety and compliance	23
Statement of Directors' responsibilities	24
Independent auditor's report on the financial statements	25 - 27
Independent reporting accountant's report on regularity	28 - 29
Statement of financial activities incorporating income and expenditure account	30
Balance sheet	31 - 32
Statement of cash flows	33
Notes to the financial statements	34 - 61

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Miss L Chandler
Mr A Keane
Mr S Rowney

Directors

Mrs A Atack (resigned 8 July 2020)
Mr A Best, Vice Chair
Ms K Bloor
Mr R Chu (resigned 24 November 2019)
Mr M Collin (resigned 1 October 2019)
Mr A Griffin (resigned 25 March 2020)
Mr S Jones, CEO (appointed 4 February 2020)
Mrs B Mabey (resigned 17 November 2020)
Mr P Majster (resigned 30 September 2020)
Mr C Mogford (resigned 8 September 2020)
Mr S Sheppard
Mr S Small, Chair
Mr C Stevens, CEO (resigned 20 December 2019)

Company registered number

07661164

Company name

Fairfax Multi Academy Trust (FMAT)

Principal and registered office

Fairfax Road
Sutton Coldfield
West Midlands
B75 7JT

Company secretary

Mr J Fitzgerald, COO

Chief executive officer

Mr C Stevens (resigned 20 December 2019)
Mr M Rhatigan (interim from 21 December 2019 to 3 January 2020)
Mr S Jones (from 4 February 2020)

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Executive leadership team

Mrs D Billington, HR Director
Mr J Fitzgerald, Chief Operations Officer
Mr S Jones, Chief Executive Officer (appointed 01/02/2020)
Mr M Rhatigan, Director of Education
Mr C Stevens, Chief Executive Officer (resigned 31/12/2019)

Senior management group

Mrs D Bunn, Head of Fairfax Academy
Mrs K Craig, Head of Smith's Wood Academy
Miss M Green, Head of Bournville Academy
Mr S Mallet, Head of Erdington Academy

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds
22A Great Hampton Street
Birmingham
West Midlands
B18 6AH

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
East Midlands
NG2 1BJ

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors presented their annual report together with the financial statements and the Auditors' report of the Charitable Company for the year ending 31 August 2020.

The Trust operates three secondary academies and one all through academy in the West Midlands. The academies have a combined pupil capacity of 4,840 and had a roll of 4,248 on the school census in October 2020.

Structure, governance and management

Constitution

On the 1 November 2014 the Fairfax Multi-Academy Trust was established, incorporating Fairfax Academy and the newly sponsored Bournville School. Erdington Academy joined the Trust on 1 September 2016 and Smith's Wood Academy joined on 1 April 2017.

The Directors act as the Trustees for the charitable activities of Trust and are also the Directors of the Charitable Company for the purposes of company law.

The Charitable Company is known as Fairfax Multi-Academy Trust (FMAT).

Details of the Directors who served throughout the year, except as noted, 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 Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Member.

Directors' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of Directors

The Trust shall have the following Directors as set out in its Articles of Association and funding agreement:

The number of Directors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subjected to any maximum.

Subject to Articles of Association 48-49 and 64, the Trust shall have the following Directors:

- a. up to five Directors appointed under Article 50;
- b. up to three Academy Directors appointed under Article 51;
- c. a minimum of two Parent Directors if appointed under Articles 53-56D.

Directors are appointed for a four-year period. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

When appointing new Directors, the Trust will give consideration to the skills and experience mix of existing Directors in order to ensure that the necessary skills required are available to contribute fully to the Trusts development.

Policies adopted for the induction and training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include online training modules, a tour of an Academy and a chance to meet staff and students. All Directors also receive 1 day's face to face training – Introduction to Governance in a Multi-Academy Trust. During Covid-19 the training has been delivered remotely.

All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and the Trust's Governance Booklet. As part of the recruitment process prospective Director's complete a skills audit, as a result, the induction of newly appointed Directors is tailored specifically to the individual. Internal training is provided by the Director of Education annually, with external advice or support provided where necessary or when requested.

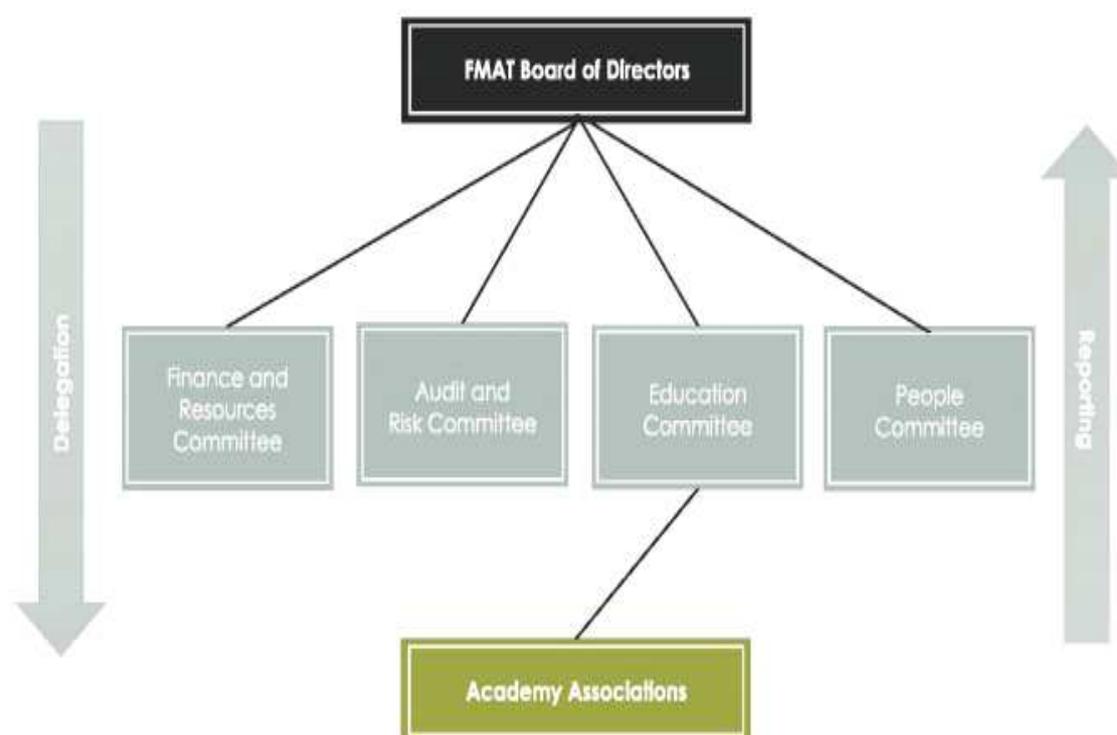
FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Trust has established a clear organisational structure with identified lines of accountability and reporting for all of its operations. This includes defining the responsibilities of the Trust Board and those responsibilities delegated to its committees and officers within the Trust.

The diagram below sets out the governance structure of Fairfax Multi-Academy Trust (FMAT) and its committees.



The responsibilities of the FMAT Board and its committees are set out in the Trust's Scheme of Delegation. Decisions reserved for the Trust Board are set out in the Scheme of Reservation. The Trust Board has agreed terms of reference for each committee. The different roles and responsibilities of Directors and Executive Leadership Team are laid out in the scheme of delegation. The scheme makes it clear how methods of escalation operate between officers, committees, and the Trust Board and on what matters committees are required to make recommendations or provide advice to the Board.

Finance and Resources Committee

The main purpose of the Finance and Resource Committee is to assist in the decision making of the Trust Board, by enabling more detailed consideration of the Trust's/individual Academy's planning, control and monitoring of finances and resources. This includes making recommendations to the Trust Board in relation to annual budgets, medium term financial plans, financial policy, budget monitoring etc.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Audit and Risk Committee

The Audit Committee provides independent advice and assurance to the Trust Board primarily in relation to matters of probity, propriety and the effective stewardship of public funds. A key input to the committee is external assurance.

Specific responsibilities of the Audit and Risk Committee include:

- considering the appointment of the external auditor, assessing their independence, and reviewing their management letter and management's response
- reviewing the Trust's procedures for handling allegations from whistle-blowers and allegations of fraud, bribery, and corruption
- reviewing and challenging the actions and judgements of management, in relation to the annual financial statements before submission to the Board of Directors.
- reviewing the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money.
- overseeing the implementation of a risk management culture and processes within the Trust.

People Committee

The People Committee considers the workforce aspects of the Trust; their specific responsibilities include:

- receiving proposals regarding policies on performance and pay
- monitoring and evaluation of the performance of the Chief Executive Officer
- advising on the strategic planning of the Trust's work force to ensure that all staff are developed to support realisation of the Trust's mission and values.

Education Committee

The Education Committee provides assurance to the Trust Board in relation to the education performance of the Trust's academies. The Committee responsibilities include monitoring:

- the performance of individual academies, and the whole Trust, against agreed KPIs
- the quality of leadership in each academy to account for academic performance, quality of SEND provision, quality of teaching, exclusions, and pupil attendance
- school development plans and progress made against targets for all academies within the Trust
- any Ofsted or DfE inspection reports
- the effective use of SEND, Pupil and Sport Premium funding by the Trust as a whole and by academies individually
- pupil progress for the Trust and for each academy
- assurance to the Board that changes to national legislation about curriculum, examination, SEND and report to parents are being effectively implemented across the Trust
- monitoring the performance of the Academy Associations in the discharge of their specific responsibilities.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Academy Associations

Each academy within the Trust has an Academy Association that provides oversight at a local level. The remit and terms of reference are established by the Trust Board. They have responsibilities which include:

- Supporting and challenging the Head of Academy on key performance matters (KPIs) as determined by the Chief Executive Officer
- Providing local intelligence to the Executive on matters of safeguarding, SEND provision, Pupil Premium and Careers Provision
- Supporting and challenging leaders on specific development areas as identified by the Trust Board
- Ensuring the values of the Trust are reflected in leaders' plans to provide opportunities for all students to participate in and be enriched by activities that prepare them to contribute positively to society when they leave school
- Reviewing and supporting the academy's strategy for income generation through pupil recruitment
- Supporting on any permanent exclusions within the trust
- Engaging with wider academy activities as a means of monitoring overall quality

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Executive Team within the Trust is a transparent process which takes place annually.

The CEO's remuneration is considered by a remuneration working party.

The CEO of the Trust, reviews and sets Performance Targets of the Executive Team (Director of Education, Heads of Academy and HR Director). Dependent on outcomes and performance, the Senior Manager may then be given a one or two-point increment within their designated ISR range. The CEO will then take his recommendations to the Board of Directors for ratification and approval. Where the Senior Manager is on a spot salary the CEO will then take his recommendations to the Board of Directors for ratification and approval.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	7
Full-time equivalent employee number	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	7
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	2,629	
Total pay bill	7,375,727	
Percentage of total pay bill spent on facility time	0.04	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Engagement with employees (including disabled persons)

The Trust has a trade union recognition agreement with the recognised trade unions in place and an established Trust-wide joint consultation committee which meets regularly to discuss matters of mutual interest. At Trust level, meetings are held termly with the relevant representatives of the recognised trade unions; at an academy level, meetings are held half termly with the relevant representatives of the recognised trade unions.

During employment, the Trust seeks to work with all employees, irrespective of disability or otherwise and taking into account their personal circumstances, to ensure appropriate training, development and opportunities are available to them to reach their full potential. It is the Trust's policy that the training, career development and promotion opportunities of disabled persons should, as far as possible, be identical to that of other employees.

Exit interviews are in place and upward feedback is provided, as necessary.

The Trust has implemented several policies (which apply to teaching and support staff) in relation to all aspects of personnel matters, e.g.:

- Health & Safety Policy
- Pay Policy
- Appraisal Policy
- Sickness Absence Management Policy
- Special Leave Policy
- Staff Code of Conduct
- Flexible Working Policy

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Engagement with suppliers, customers and others in a business relationship with the Academy

A core value of the trust is an adherence to paying all suppliers within agreed terms.

The directors commit to maximising the resources used in servicing the needs of its pupils to the highest possible standard. In addition to this full engagement with parents, guardians and the local communities is a key aim of the Trust with the view to building successful, long term relationships.

Both the directors and the key personnel work closely and collaboratively with the Local Authorities to ensure that there is a shared strategy that is mutually beneficial to all parties. Similarly, directors and leaders of the Trust work hard to establish and maintain good relationships with the Regional Schools Commissioner, the DfE and the ESFA.

Related Parties and other Connected Charities and Organisations

There are no related parties that either control or significantly influence the decisions and operations of the Trust. There are no sponsors associated with the Academy.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The principal object and activity of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing their associated Academies, offering a broad and balanced curriculum.

Trust Strategy 2019 – 2022

Enriching Lives; Transforming Futures

Vision	Every child within the Trust will attend an Academy that offers an outstanding quality of education; where pupils achieve outcomes that are in the top 10% of similar schools. Each child will be recognised as an individual. They will have access to first-class pastoral care and will benefit from a wide range of enriching opportunities. This will mean that each of our Academies is the school of choice for parents, carers and pupils in the local community.		
Values	<p>Excellence We strive for the highest quality to ensure excellent outcomes and personal achievements.</p> <p>Dedication We believe there is dignity in hard work and effort.</p> <p>Ambition We aim to be the best that we can be, in all that we do.</p> <p>Integrity We believe in openness, honesty and have a real sense of moral purpose.</p> <p>Tradition We believe in good manners, courtesy and respect.</p>		
Strategic approach	<p>A relentless focus on a high-quality curriculum and delivery</p> <p>A carefully structured curriculum and high-quality implementation is the key to transforming our pupils' futures</p>	<p>Partnership and accountability</p> <p>All of our pupils will benefit from being part of a wider family of schools</p>	<p>Sustainable and efficient</p> <p>Effective planning and management ensure more opportunities for our pupils</p>
Priority workstreams	<p>1. Curriculum Development (Intent)</p> <p>We will ensure that our curriculum meets the needs of all pupils.</p> <p>2. Teaching for Excellence (Implementation)</p> <p>We will ensure that there is a relentless focus on improving the quality of teaching.</p> <p>3. Assessment (Impact)</p> <p>We will ensure that all of our assessments are valid, reliable and add value.</p> <p>4. Inclusive</p> <p>We will ensure our lessons are typified by opportunities for all pupils to participate through structured talk and inclusive approaches to questioning.</p> <p>Our pupils will have access to a wide-range of extra-curricular learning and development opportunities.</p> <p>We will ensure all pupils can access our curriculum by removing barriers to learning. High quality pastoral care and tailored provision for our SEND learners will ensure that we are 'inclusive'.</p>	<p>1. Governance</p> <p>We will ensure that our structures and processes ensure that all of our pupils benefit from effective governance.</p> <p>2. School Improvement</p> <p>We will have a strategic approach to school improvement where all of our schools will be supported and challenged.</p> <p>3. Corporate Development</p> <p>We will ensure all change affecting the organisation will be delivered through a systematic approach and communicated effectively.</p> <p>We will develop our approaches to ensure that we operate as one organisation.</p>	<p>1. Workload</p> <p>We will reduce the burden of unnecessary work on our workforce.</p> <p>2. Financial Health</p> <p>We will ensure that staffing structures are affordable, sustainable and fit for purpose.</p> <p>3. Risk</p> <p>We will ensure that there is a strong culture of risk management.</p> <p>4. Central Services</p> <p>We will develop a highly capable central function that will provide efficient and effective services to our academies.</p>
Evaluation metrics	<p>Is FMAT's strategy leading to strong outcomes for all groups of pupils?</p> <p>How is FMAT delivering against the strategy and each of its priority work streams?</p>		

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trusts aims and objectives and in planning its future activities.

The Trusts Academies provide facilities for recreational and other leisure time occupation for the community at large, in the interests of social welfare and with the interest of improving the life of the said community.

Strategic report

Achievements and performance

Key performance indicators

Below are the current Ofsted ratings for each academy across the Trust.

	Bournville School	Erdington Academy	Fairfax	Smith's Wood Academy
Previous Ofsted rating:	4 Inadequate	3 Requires improvement	2 Good	4 Inadequate
Current Ofsted rating:	3 Requires improvement	3 Requires improvement	2 Good	3 Requires improvement
Date of inspection:	1 st November 2017	9 th May 2019	19 th March 2019	2 nd May 2019

2019-20 Outcomes

With regards to the 2019-20 Outcomes, the Department for Education (DfE) released the following statement:

'As part of steps taken to fight the spread of coronavirus (COVID-19), the government announced that all exams due to take place in schools and colleges in England in summer 2020 are cancelled and that it will not publish any school or college level educational performance data based on tests, assessments or exams for 2020.

All those working with schools and colleges, such as Ofsted, Department for Education regional teams and local authorities, should use data from previous years when assessing school and college performance, and not the 2020 data.'

<https://www.gov.uk/government/publications/coronavirus-covid-19-school-and-college-performance-measures/coronavirus-covid-19-school-and-college-accountability>

Therefore, as a Trust for 2019-20, we will use three key measures from the past four years; Year 11 Progress 8, the percentage of pupils achieving grades 9 to 5 and 9 to 4 in English and maths.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Progress 8	National	Bournville School	Erdington Academy	Fairfax	Smith's Wood Academy
2016-17	-0.03	-0.48	-0.08	+0.27	-0.70
2017-18	-0.02	-0.26	-0.46	-0.03	-0.24
2018-19	-0.03	-0.40	-0.31	0.00	-0.68

% achieving 9-5 English and maths	National	Bournville School	Erdington Academy	Fairfax	Smith's Wood Academy
2016-17	43%	42%	28%	60%	20%
2017-18	43%	32%	24%	43%	21%
2018-19	43%	27%	21%	50%	23%

% achieving 9-4 .English and maths	National	Bournville School	Erdington Academy	Fairfax	Smith's Wood Academy
2016-17	64%	67%	56%	77%	36%
2017-18	64%	49%	45%	69%	44%
2018-19	65%	45%	39%	73%	39%

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence.

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.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Promoting the success of the company

The Trust has implemented significant changes and actions in the current financial year (2019/20) to ensure balanced budgets can be set and there is future financial stability at all sites.

The key changes and actions that have been completed across the Trust include:

- Updating the curriculum at each academy to ensure it meets the needs of all students.
- Implementation of the Curriculum Led Financial Planning that has enabled resource to be allocated to MAT and Academy priorities
- Two staffing restructures completed
- Increased numbers of year 7 student applications and student numbers in September 2020, when compared to 2019
- Investment in IT infrastructure at each academy site
- Centralisation of Finance and HR Resources, which delivers value for money and embedding the professionalism of services
- Collaborative approach to the Covid-19 pandemic, ensuring that all sites remain Covid secure and educational strategies being shared for the benefit of all students
- Every academy remained open, including at Easter, to ensure provision was made available for vulnerable students and the children of key workers during the Covid-19 lockdown

The Trust has received CIF funding in 2019-20, a condition of the funding is the Trust agreed to an SRMA visit this academic year. The visit was completed in April 2020 and the report issued in June 2020. The report has been reviewed and discussed at the Finance & Resource Committee meeting and with the RSC at the annual review meeting.

The italic text below is conclusion from the report:

The trust is about to reforecast. It had produced the July 2019 ABR on basis of achieving Transformation Programme in its timeline with a surplus in 2020/21 and a slight deficit again in 2021/22 (due to a further restructure). As all the cost saving has been achieved earlier than this programme planned and further income can be assumed, the trust now expects for all schools to at least break even. The Trust should be able to achieve its target to maintain reserves of £2m or above.

Further assurance was provided to the Board of Directors in the June 2020 meeting, with the 3-year budget forecast report showing a surplus balance in each of the next three years. This has been reported to the ESFA when the Trust submit the annual budget forecast return in July 2020.

S172(1) statement

The directors act in good faith in making decisions from which the expected outcomes are considered to be most likely to promote the success of the Trust for the benefit of its pupils. In performing their duties, the directors make good faith assessments of the potential consequence on various stakeholders of any decisions that are made. In this, the directors have a regard to the following:

- the likely consequences of any decision in the long term
- the interests of the trust's employees
- the need to foster the trust's business relationships with suppliers, customers and others
- the impact of the trust's operations on the community and the environment
- the desirability of the trust maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the trust.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial Review

Most of the Trusts income is obtained from the DfE via the EFA in the form of recurrent grants; the use of which is restricted to educational activities. The grants received from the DfE during the year ending 31 August 2020 and the associated expenditure is shown as Restricted Funds in the Statement of Financial Activities.

During the year ending 31 August 2020, total expenditure of £28,688,345, excluding depreciation, was covered by recurrent grant funding from the DfE, excluding capital income, together with other incoming resources. The surplus of income over expenditure for the year before transfers and excluding restricted fixed asset funds and the pension deficit reserve was £568,127.

At 31 August 2020 the net book value of fixed assets was £68,790,717 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

Reserves policy

The Board of Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration future redevelopment of the building and infrastructure plans, the uncertainty over future income streams and other key risks identified during the risk review.

The Board of Directors has determined that the appropriate level of free reserves should be equivalent to four weeks of expenditure. The reason for this is to provide sufficient working capital to enable the Trust to manage its cash flow efficiently thus to cover delays between spending and receipt of grants, to manage annual variations in student numbers and to provide a cushion to deal with unexpected emergencies.

The Trusts free reserve level at the 31 August 2020 is £2,528,985 and the value of four weeks of expenditure is £2,277,126. Free reserve levels will be maintained over future years through affordable staffing structures, achieving economies of scale and increased pupil numbers.

Investment policy

Directors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit, at the most favourable rate available, from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Chief Executive Office and Chief Operating Officer.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 97.8% of the Trusts incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in Governance and/or Management - the risk in this area arises from potential failure to effectively manage the Trusts finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trusts academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Directors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and Child Protection - the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Safeguarding reviews are commissioned and undertaken in all Trust academies on a regular basis. A report identifying areas of improvement is compiled by the Director of Education specifying timeframe's for completion.

Staffing - the success of Trust is reliant on the quality of its staff, the Board of Directors and Academy Associations monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and Mismanagement of Funds - The Trust has actioned their Auditors to carry out checks on financial systems and records as recommended by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a termly basis.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Directors.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption used to calculate emissions (kWh)	6,058,783
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	814.46
Owned transport	1.32
Total scope 1	815.78
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	375.14
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	3.61
Total gross emissions (in tonnes of CO2 equivalent):	1,194.53
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.28

The Academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 e per pupil, the recommended ratio for the sector.

Three key measures taken to improve energy efficiency:

1. We plan to do an energy audit in our academy and understand the actions we need to take to reduce our carbon footprint.
2. We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our Carbon Footprint.
3. We have installed smart meters across all sites to improve our understanding of energy consumption.

Plans for future periods

A full review of the future strategic aims has been carried out and reprioritised. These aims have been reviewed and approved by the Board of Directors.

A full summary of the three-year strategic plan is provided Objectives, Strategies and Activities section of this report (page 9)

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian on behalf of others

The Trust acts as an agent in distributing bursary funds and grants from the EFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities, as the Trust does not have control over the charitable application of the funds. In some instances, the Trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

COVID-19

The period of April 2020 to August 2020 have been challenging for Trust leaders to adapt and deliver health and safety practices and procedures in the ever changing Government guidance in response to the COVID-19 pandemic.

Business continuity plans have been tested through COVID-19 with academies only open to vulnerable students and students of key workers and most staff and students working remotely during the majority of the summer term 2020.

Plans have proved to be robust and supported by risk assessments to ensure students and staff are safe on whilst on site.

This situation has affected almost all aspects of the Trust and has added to the workload of many staff.

As a Trust, we have:

- Kept all sites open during the Easter holiday and bank holidays.
- Produced central guidance for Academies.
- Updated the Directors weekly.
- Heads of Academy's have updated Associates weekly.
- Implemented Risk Assessments which have been developed by central staff and applied for bespoke use in each Academy by the Head of Academy.
- Carried out regular safeguarding contact, welfare checks and pastoral conversations in each Academy setting.
- Returned additional students to Academies as soon as Government guidance allowed.
- Processed thousands of Free School Meal (FSM) vouchers and helped to resolve any related parental concerns.
- Processed the Centre Assessed Grades required by examination boards, so that students in Years 11, 12 and 13 can receive examination grades in the summer.
- Continued to offer support regarding careers advice for Year 11 and Year 13 students.
- Re-written extensive amounts of the curriculum resources in advance of the 2020/21 academic year.
- HSE review risk assessments - all fine.

Risk assessments have been updated for the autumn term 2020 to ensure sites are as safe for students, staff and visitors. Additional sanitising cleaning is being provided by academy contract cleaners during the day to help reduce the risk of an outbreak on site. This includes high-contact touch points and areas and surfaces where bubbles are changing over being cleaned regularly.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Directors 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 Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 17 December 2020 and signed on its behalf by:



Mr S Small
Chair of the Board

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform to 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 Fairfax Multi Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mr M Collin	0	0
Mr C Mogford	2	4
Mr R Chu	1	1
Mr S Small, Chair	4	4
Mrs B Mabey	4	4
Mr S Sheppard	2	4
Ms K Bloor	4	4
Mr S Jones, CEO	2	2
Mr A Best, Vice Chair	3	4
Mr P Majster	2	4
Mr A Griffin	3	3
Mrs A Atack	3	3
Mr C Stevens, CEO	2	2

For 2020/21 there will be five Trust Board meetings however for 2019/20 there were four Trust Board meetings due to restrictions during the lockdown period. The Trust Board maintained effective oversight of funds with fewer than the six recommend meetings as follow:

- A 2019/20 budget revision exercise was undertaken and approved in June 2020
- SRMA review was completed in April 2020 and findings and outcomes reported to the Board in June 2020
- Monthly financial monitoring reports were issued to the Chair throughout the year and the full Board six times in the year
- The Directors of the Finance and Resource Committee have specific delegated responsibilities to review the Trust's budget position against the Trust's reserves.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Finance and Resource Committee is a sub-committee of the Board of Directors. Its purpose is to provide oversight, guidance and assistance to the Board of Directors on all matters relating to finance, resources, premises and health and safety.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Mr S Sheppard (Chair)	4	4
Mr P Majster	2	4
Mr C Stevens	1	2
Mr S Jones	2	2

The Audit and Risk Committee is a sub-committee of the Board of Directors. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Mr C Mogford (Chair)	3	3
Mr S Small	2	2
Mr C Stevens	1	1
Mr S Jones	1	1

Review of value for money

As Accounting Officer, the Chief Executive 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 Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- The centralisation of business functions (Finance, HR, IT and Estates) which resulted in a reduction of costs across the Trust and allowed the Trust and its academies to prioritise budgets to areas which provide the best outcomes for the students in the Trust as a whole.
- A spending review in year and a review of the procurement process has provided rigor and supported to ensure value for money and necessary spend. The review has also supported that procurement is aligned to the Trusts priority strategies and development plans.
- The Trust has continued to use group purchasing consortium to allow it to achieve value for money. As contracts in individual academies fall due, group wide contracts have been negotiated driving down the costs of these contracts whilst improving the services provided by these contracts.
- An overhaul of the curriculum and how it is delivered across the Trust.
- Embedding of Curriculum Led Financial Planning so that resources can be targeted to priorities and curriculum delivery.
- Curriculum Led Financial Planning outputs reviewed and required changes to staffing structures completed to ensure they are affordable and meet the academy's educational and operational needs.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Trust made payments in the year under the Procurement Policy Notice (PPN) scheme. The decision on payments made were approved by the Board and payments were made in the following sectors in order to ensure continuance of critical services to the Trust:

- Catering
- Cleaning
- ICT services

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 Fairfax Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The Academy'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 Directors
- 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 Directors has considered the need for a specific internal audit function and has decided to instruct the Trust's auditors Crowe U.K LLP to carry out external audit checks in order to provide financial scrutiny and deliver assurances as part of the Trust's internal scrutiny . A schedule of objects and areas for the external audit checks to cover is agreed by the Audit and Risk Committee. On completion of the external audit check, a report is submitted to the audit and risk Committee to review and where necessary, report back any matters arising to the Board of Directors.

The Board of Directors is currently making arrangements for Internal Scrutiny to be conducted by a third party for the academic year 20/21 as we can no longer use our external auditors to perform this function.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The auditor'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:

- Budget and budget monitoring
- Financial Reporting
- Payroll
- Risk Management

Review of effectiveness

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

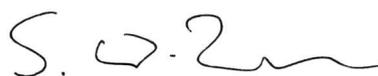
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Directors on 17 December 2020 and signed on their behalf by:



Mr S Small
Chair of the Board



Mr S Jones
Accounting Officer

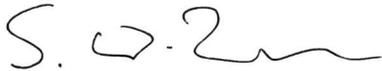
FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Trust I have considered my responsibilities to notify the Trusts Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that the Trusts' Board of Directors are able to identify any material irregularity or improper use of funds by the Trust, or material non-compliance with the terms of funding under the Academy Trusts' funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of irregularity, impropriety or funding non-compliance have been discovered to date.



Mr S Jones
Accounting Officer
Date: 17 December 2020

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial . Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors 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 grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Directors on 17 December 2020 and signed on its behalf by:



Mr S Small
Chair of the Board

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FAIRFAX MULTI ACADEMY TRUST**

Opinion

We have audited the financial statements of Fairfax Multi Academy Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FAIRFAX MULTI ACADEMY TRUST (CONTINUED)**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Directors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion 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 Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the 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 our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FAIRFAX MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Academy'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 Directors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

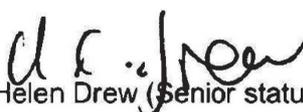
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Academy'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 Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Helen Drew (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

17 December 2020

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FAIRFAX
MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fairfax Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Fairfax Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fairfax Multi Academy Trust's funding agreement with the Secretary of State for Education dated 8 June 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FAIRFAX
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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


Crowe U.K. LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 17 December 2020

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	6,108	-	844,919	851,027	1,264,785
Charitable activities	4	499,594	27,516,577	-	28,016,171	26,774,981
Other trading activities	6	106,289	-	-	106,289	138,326
Investments		2,333	-	-	2,333	2,472
Total income		614,324	27,516,577	844,919	28,975,820	28,180,564
Expenditure on:						
Raising funds		90,565	-	-	90,565	117,862
Charitable activities		658,149	28,057,060	796,864	29,512,073	29,583,986
Total expenditure	7	748,714	28,057,060	796,864	29,602,638	29,701,848
Net (expenditure)/income		(134,390)	(540,483)	48,055	(626,818)	(1,521,284)
Transfers between funds	18	-	(198,425)	198,425	-	-
Net movement in funds before other recognised gains/(losses)		(134,390)	(738,908)	246,480	(626,818)	(1,521,284)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,376,000)	-	(2,376,000)	(2,866,000)
Net movement in funds		(134,390)	(3,114,908)	246,480	(3,002,818)	(4,387,284)
Reconciliation of funds:						
Total funds brought forward		2,159,283	(17,107,000)	69,022,410	54,074,693	58,461,977
Total funds carried forward		2,024,893	(20,221,908)	69,268,890	51,071,875	54,074,693

The notes on pages 34 to 61 form part of these financial statements.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07661164

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	68,790,717	69,022,410
		<u>68,790,717</u>	<u>69,022,410</u>
Current assets			
Debtors	15	1,640,357	1,309,683
Cash at bank and in hand		4,024,319	4,112,614
		<u>5,664,676</u>	<u>5,422,297</u>
Creditors: amounts falling due within one year	16	(2,519,278)	(3,201,153)
Net current assets		3,145,398	2,221,144
Total assets less current liabilities		71,936,115	71,243,554
Creditors: amounts falling due after more than one year	17	(138,240)	(61,861)
Net assets excluding pension liability		71,797,875	71,181,693
Defined benefit pension scheme liability	26	(20,726,000)	(17,107,000)
Total net assets		51,071,875	54,074,693

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07661164

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	69,268,890	69,022,410
Restricted income funds	18	504,092	-
		<u>69,772,982</u>	<u>69,022,410</u>
Restricted funds excluding pension reserve	18	69,772,982	69,022,410
Pension reserve	18	(20,726,000)	(17,107,000)
		<u>49,046,982</u>	<u>51,915,410</u>
Total restricted funds	18	49,046,982	51,915,410
Unrestricted income funds	18	2,024,893	2,159,283
		<u>51,071,875</u>	<u>54,074,693</u>
Total funds		51,071,875	54,074,693

The financial statements on pages 30 to 61 were approved by the Directors, and authorised for issue on 17 December 2020 and are signed on their behalf, by:



Mr S Small
Chair of the Board

The notes on pages 34 to 61 form part of these financial statements.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(67,513)	4,307
Cash flows from investing activities	22	(105,067)	(106,478)
Cash flows from financing activities	21	84,285	69,422
Change in cash and cash equivalents in the year		(88,295)	(32,749)
Cash and cash equivalents at the beginning of the year		4,112,614	4,145,363
Cash and cash equivalents at the end of the year	23, 24	4,024,319	4,112,614

The notes on pages 34 to 61 form part of these financial statements

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements represent the financial results and financial position of Invictus Educational Trust ("the trust"), which comprised of the following member academies as at 31 August 2020:

Fairfax Academy
Bournville Academy
Smith's Wood Academy
Erdington Academy

Fairfax Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Company Status

The Trust is a company limited by guarantee and is incorporated in England & Wales, registered number 07661164. The address of the registered office is Fairfax Academy, Fairfax Road, Sutton Coldfield, West Midlands, B75 7JT. The members of the company are named in the reference and administration pages. In the event of the trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

1.3 Going concern

The Directors 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 Academy to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Income

All incoming resources are recognised when the Academy 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.7 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold property	- 2% Straight Line
Long-term leasehold property	- 125 years straight line
Furniture and equipment	- 10-20% Straight Line
Computer equipment	- 10-33% Straight Line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 as detailed in notes 16 and 17. 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.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

1.14 Agency arrangements

The Academy trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no critical judgements which would have a material impact on the financial statements.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	6,108	-	6,108
Capital grants	-	844,919	844,919
Total 2020	<u>6,108</u>	<u>844,919</u>	<u>851,027</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	5,621	-	5,621
Capital grants	-	1,259,164	1,259,164
<i>Total 2019</i>	<u>5,621</u>	<u>1,259,164</u>	<u>1,264,785</u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Funding for educational operations	-	27,516,577	27,516,577
Catering income	227,540	-	227,540
School trip income	126,937	-	126,937
Other income	132,634	-	132,634
Private Funds income	12,483	-	12,483
Total 2020	<u>499,594</u>	<u>27,516,577</u>	<u>28,016,171</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Funding for educational operations	-	26,081,278	26,081,278
Catering income	331,597	-	331,597
School trip income	205,402	-	205,402
Other income	117,549	-	117,549
Private Funds income	39,155	-	39,155
<i>Total 2019</i>	<u>693,703</u>	<u>26,081,278</u>	<u>26,774,981</u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Funding for the Academy's funding for educational operations

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General annual grant (GAG)	23,216,071	23,216,071
Other Dfe/ESFA grants	3,373,601	3,373,601
PFI grants	400,470	400,470
	26,990,142	26,990,142
Other government grants		
Local authority grants	476,453	476,453
	476,453	476,453
Other funding		
Non government income	9,052	9,052
	9,052	9,052
Exceptional government funding		
CJRS income	40,930	40,930
	40,930	40,930
Total 2020	27,516,577	27,516,577

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The academy furloughed some of its ancillary staff under the government's CJRS. The funding received of £40,930 relates to staff costs which are included within note 10 below as appropriate.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Funding for the Academy's funding for educational operations (continued)

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants		
General annual grant (GAG)	23,079,877	23,079,877
Other Dfe/ESFA grants	2,163,047	2,163,047
PFI grants	373,302	373,302
	25,616,226	25,616,226
Other government grants		
Local authority grants	450,857	450,857
	450,857	450,857
Other funding		
Non government income	14,195	14,195
	14,195	14,195
<i>Total 2019</i>	26,081,278	26,081,278

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	10,440	10,440
Staff secondment	55,771	55,771
Sports centre	40,078	40,078
Total 2020	106,289	106,289

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	21,153	21,153
Staff secondment	54,051	54,051
Sports centre	63,122	63,122
<i>Total 2019</i>	<u>138,326</u>	<u>138,326</u>

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	90,565	90,565
Funding for educational operations:				
Direct costs	16,726,455	796,864	2,287,345	19,810,664
Support costs	6,449,977	1,384,788	1,866,644	9,701,409
Total 2020	<u>23,176,432</u>	<u>2,181,652</u>	<u>4,244,554</u>	<u>29,602,638</u>

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:				
Direct costs	-	-	117,862	117,862
Funding for educational operations:				
Direct costs	15,126,426	969,119	2,947,081	19,042,626
Support costs	6,996,064	1,478,736	2,066,560	10,541,360
<i>Total 2019</i>	<u>22,122,490</u>	<u>2,447,855</u>	<u>5,131,503</u>	<u>29,701,848</u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Support costs

	2020 £	2019 £
Staff costs	6,449,977	6,928,200
Technology costs	329,225	337,394
Maintenance of premises	1,384,788	1,478,736
Legal & professional fees	270,599	211,063
Other support costs	440,964	697,314
Governance costs	33,500	70,955
PFI contract	792,356	817,698
	<u>9,701,409</u>	<u>10,541,360</u>

During the year the trust incurred governance costs in relation to statutory audit fees and professional fees.

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	514,266	517,746
Depreciation of tangible fixed assets	796,864	969,119
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	22,250	21,000
Fees payable to the Academy's auditor and its associates in respect of:		
- other services	15,300	12,165
	<u>15,300</u>	<u>12,165</u>

10. Central services

No central services were provided by the Academy to its academies during the year as GAG pooling has been applied since 1 September 2017.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	15,509,745	15,774,299
Social security costs	1,623,166	1,625,232
Pension costs	5,012,346	4,124,076
	<u>22,145,257</u>	<u>21,523,607</u>
Agency staff costs	634,117	561,074
Staff restructuring costs	397,058	37,809
	<u>23,176,432</u>	<u>22,122,490</u>

b. Non-statutory/non-contractual staff severance payments

There were four non-statutory/non-contractual severance payments during the year amounting to £45,785 (2019: £nil). Individually the payments were £20,000, £20,000, £4,350 and £1,435.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	227	257
Support staff	187	219
Management	26	33
	<u>440</u>	<u>509</u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff (continued)

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	7	<i>7</i>
In the band £70,001 - £80,000	5	<i>4</i>
In the band £80,001 - £90,000	2	<i>3</i>
In the band £90,001 - £100,000	3	<i>2</i>
In the band £100,001 - £110,000	1	<i>1</i>
	=====	<i>=====</i>

e. Key management personnel

The key management personnel of the Academy comprise the Executive Leadership Team and the Senior Management Group as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £912,764 (*2019 £681,455*).

12. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2020	<i>2019</i>
		£	<i>£</i>
Mr C Stevens	Remuneration	35,000 - 40,000	<i>105,000 - 110,000</i>
	Pension contributions paid	10,000 - 15,000	<i>15,000 - 20,000</i>
Mr S Jones	Remuneration	75,000 - 80,000	
	Pension contributions paid	10,000 - 15,000	

During the year ended 31 August 2020, no Director expenses have been incurred (*2019 - £NIL*).

13. Directors' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the directors and officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant & equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2019	30,481,853	40,563,000	719,003	916,849	892,036	73,572,741
Additions	249,041	-	15,822	56,256	244,052	565,171
Transfers between classes	892,036	-	-	-	(892,036)	-
At 31 August 2020	<u>31,622,930</u>	<u>40,563,000</u>	<u>734,825</u>	<u>973,105</u>	<u>244,052</u>	<u>74,137,912</u>
Depreciation						
At 1 September 2019	2,650,033	814,435	556,369	529,494	-	4,550,331
Charge for the year	411,730	332,108	14,817	38,209	-	796,864
At 31 August 2020	<u>3,061,763</u>	<u>1,146,543</u>	<u>571,186</u>	<u>567,703</u>	<u>-</u>	<u>5,347,195</u>
Net book value						
At 31 August 2020	<u>28,561,167</u>	<u>39,416,457</u>	<u>163,639</u>	<u>405,402</u>	<u>244,052</u>	<u>68,790,717</u>
At 31 August 2019	<u>27,831,820</u>	<u>39,748,565</u>	<u>162,634</u>	<u>387,355</u>	<u>892,036</u>	<u>69,022,410</u>

Freehold land

Included in freehold property is freehold land amounting to £12,230,628 (2019: £12,230,628) which is not depreciated.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Debtors

	2020 £	2019 £
Trade debtors	22,644	45,471
Other debtors	6,689	41,200
Prepayments and accrued income	788,868	805,040
Capital grants receivable	487,783	100,635
VAT recoverable	334,373	317,337
	1,640,357	1,309,683

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
SALIX loans	17,479	9,573
Trade creditors	735,710	794,263
Other taxation and social security	366,806	385,080
Other creditors	510,623	1,561,124
Accruals and deferred income	888,660	451,113
	2,519,278	3,201,153

	2020 £	2019 £
Deferred income at 1 September 2019	227,161	125,097
Resources deferred during the year	-	227,161
Amounts released from previous periods	(227,161)	(125,097)
	-	227,161

There was no deferred income held at 31 August 2020. Included in deferred income in 2019 are grants and school trip income received in advance of entitlement for the 19/20 academic year.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Creditors: Amounts falling due after more than one year

	2020	<i>2019</i>
	£	£
SALIX loans	138,240	<i>61,861</i>

The loans totalling £155,719 are Salix loans which were agreed as part of the CIF applications. The six loans originally totalled £168,921. One loan of £25,096 is interest free whilst the other 5 balances attract an annual interest rate between 1.73% and 2.18%, all are unsecured and repayable in equal monthly instalments which total £1,775 over a period up to 8 years to 2028.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	2,159,283	614,324	(748,714)	-	-	2,024,893
Restricted general funds						
General Annual Grant (GAG)	-	23,216,071	(22,513,554)	(198,425)	-	504,092
Other ESFA/DfE grants	-	3,774,071	(3,774,071)	-	-	-
Local authority grants	-	526,435	(526,435)	-	-	-
Pension reserve	(17,107,000)	-	(1,243,000)	-	(2,376,000)	(20,726,000)
	<u>(17,107,000)</u>	<u>27,516,577</u>	<u>(28,057,060)</u>	<u>(198,425)</u>	<u>(2,376,000)</u>	<u>(20,221,908)</u>
Restricted fixed asset funds						
General asset funds	69,022,410	-	(796,864)	565,171	-	68,790,717
DFC grant	-	86,363	-	(86,363)	-	-
Other capital grants	-	74,413	-	(74,413)	-	-
Capital improvement fund grant	-	684,143	-	(205,970)	-	478,173
	<u>69,022,410</u>	<u>844,919</u>	<u>(796,864)</u>	<u>198,425</u>	<u>-</u>	<u>69,268,890</u>
Total Restricted funds	<u>51,915,410</u>	<u>28,361,496</u>	<u>(28,853,924)</u>	<u>-</u>	<u>(2,376,000)</u>	<u>49,046,982</u>
Total funds	<u>54,074,693</u>	<u>28,975,820</u>	<u>(29,602,638)</u>	<u>-</u>	<u>(2,376,000)</u>	<u>51,071,875</u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

The restricted fixed asset income is provided for specific capital projects.

The restricted income funds are subject to specific expenditure within the Charitable Company's declared objectives.

Transfers between funds relate to amounts expended on fixed assets from GAG and restricted expenditure in excess of restricted income.

Other gains and losses relates to the actuarial gain for the year on the Local Government Pension Scheme.

Included within Restricted Fixed Assets fund is £Nil (2018: £86,163) of unspent income from the Conditional Improvement Fund Grant awarded and recognised in full in income during the year. Also included within Restricted Fixed Asset Fund is £Nil (2018: £19,707) of unspent income from the Devolved Formula Capital Grant awarded and recognised in full in income during the year.

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

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Unrestricted funds	2,269,672	840,122	(793,767)	(156,744)	-	2,159,283
Restricted general funds						
General Annual Grant (GAG)	560,020	23,079,876	(23,793,560)	153,664	-	-
Other ESFA/DfE grants	-	2,536,349	(2,536,349)	-	-	-
Local authority grants	-	465,053	(465,053)	-	-	-
Pension reserve	(13,097,000)	-	(1,144,000)	-	(2,866,000)	(17,107,000)
	<u>(12,536,980)</u>	<u>26,081,278</u>	<u>(27,938,962)</u>	<u>153,664</u>	<u>(2,866,000)</u>	<u>(17,107,000)</u>
Restricted fixed asset funds						
General asset funds	68,623,415	-	(969,119)	1,368,114	-	69,022,410
DFC grant	19,707	303,881	-	(323,588)	-	-
Other capital grants	-	142,295	-	(142,295)	-	-
Capital improvement fund grant	86,163	812,988	-	(899,151)	-	-
	<u>68,729,285</u>	<u>1,259,164</u>	<u>(969,119)</u>	<u>3,080</u>	<u>-</u>	<u>69,022,410</u>
Total Restricted funds	<u>56,192,305</u>	<u>27,340,442</u>	<u>(28,908,081)</u>	<u>156,744</u>	<u>(2,866,000)</u>	<u>51,915,410</u>
Total funds	<u><u>58,461,977</u></u>	<u><u>28,180,564</u></u>	<u><u>(29,701,848)</u></u>	<u><u>-</u></u>	<u><u>(2,866,000)</u></u>	<u><u>54,074,693</u></u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	68,790,717	68,790,717
Current assets	2,024,893	3,161,610	478,173	5,664,676
Creditors due within one year	-	(2,519,278)	-	(2,519,278)
Creditors due in more than one year	-	(138,240)	-	(138,240)
Provisions for liabilities and charges	-	(20,726,000)	-	(20,726,000)
Total	2,024,893	(20,221,908)	69,268,890	51,071,875

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	69,022,410	69,022,410
Current assets	2,159,283	3,263,014	-	5,422,297
Creditors due within one year	-	(3,201,153)	-	(3,201,153)
Creditors due in more than one year	-	(61,861)	-	(61,861)
Provisions for liabilities and charges	-	(17,107,000)	-	(17,107,000)
Total	2,159,283	(17,107,000)	69,022,410	54,074,693

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(626,818)	(1,521,284)
Adjustments for:		
Interest receivable	(2,333)	(2,472)
Depreciation charges	796,864	969,119
Capital grants from DfE and other capital income	(844,919)	(1,259,164)
Defined benefit pension scheme cost less contributions payable	922,000	803,000
Defined benefit pension scheme finance cost	321,000	341,000
Decrease/(increase) in debtors	56,474	(65,135)
(Decrease)/increase in creditors	(689,781)	739,243
Net cash (used in)/provided by operating activities	(67,513)	4,307

21. Cash flows from financing activities

	2020 £	2019 £
Receipt of SALIX loans	92,346	71,434
Repayments of SALIX loans	(8,061)	(2,012)
Net cash provided by financing activities	84,285	69,422

22. Cash flows from investing activities

	2020 £	2019 £
Interest paid	2,333	2,472
Purchase of tangible fixed assets	(565,171)	(1,368,114)
Capital grants from DfE Group	457,771	1,259,164
Net cash used in investing activities	(105,067)	(106,478)

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	<u>4,024,319</u>	<u>4,112,614</u>

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	4,112,614	(88,295)	4,024,319
SALIX loans due within 1 year	(9,573)	(7,906)	(17,479)
SALIX loans due after 1 year	(61,861)	(76,379)	(138,240)
	<u>4,041,180</u>	<u>(172,580)</u>	<u>3,868,600</u>

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>402,063</u>	<u>-</u>

26. Pension commitments

The Academy'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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £354,877 were payable to the schemes at 31 August 2020 (2019 - £318,189) and are included within creditors.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Teachers' Pension Scheme

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. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,431,628 (2019 - £1,715,691).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,037,086 (2019 - £1,457,882), of which employer's contributions totalled £790,710 (2019 - £1,202,739) and employees' contributions totalled £ 246,376 (2019 - £255,142). The agreed contribution rates for future years are 21 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

The trust has entered into an agreement to make contributions in addition to normal funding levels due to the scheme being in deficit. It is anticipated that the additional contributions will be paid over the following year as follows:

20/21: £409,429
21/22: £424,506
22/23: £438,780

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	3.30
Discount rate for scheme liabilities	1.61	1.90

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	25.1

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	33,333	28,683
Discount rate -0.1%	35,089	30,227
Mortality assumption - 1 year increase	35,566	30,522
Mortality assumption - 1 year decrease	32,885	28,404
CPI rate +0.1%	34,974	30,091
CPI rate -0.1%	33,444	28,815

Share of scheme assets

The Academy's share of the assets in the scheme was:

	2020 £	2019 £
Equities	7,569,000	7,417,000
Gilts	1,462,000	1,168,000
Other bonds	523,000	467,000
Property	1,015,000	1,008,000
Cash and other liquid assets	894,000	445,000
Other	2,010,000	1,832,000
Total market value of assets	13,473,000	12,337,000

The actual return on scheme assets was £1,217,000 (2019 - £625,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	1,776,000	1,882,000
Interest cost	314,000	335,000
Administrative expenses	7,000	6,000
Total amount recognised in the Statement of Financial Activities	2,097,000	2,223,000

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September	29,444,000	23,702,000
Interest cost	554,000	630,000
Employee contributions	246,000	252,000
Actuarial losses	2,447,000	3,296,000
Benefits paid	(268,000)	(318,000)
Current service cost	1,708,000	1,491,000
Past service costs	68,000	391,000
	<u>34,199,000</u>	<u>29,444,000</u>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	12,337,000	10,605,000
Interest income	240,000	295,000
Actuarial gains	71,000	430,000
Employer contributions	854,000	1,079,000
Employee contributions	246,000	252,000
Benefits paid	(268,000)	(318,000)
Administration expenses	(7,000)	(6,000)
	<u>13,473,000</u>	<u>12,337,000</u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	508,295	511,867
Later than 1 year and not later than 5 years	1,721,174	1,793,770
Later than 5 years	4,088,295	4,667,043
	<u>6,317,764</u>	<u>6,972,680</u>

The charitable company is committed to funding payments under the PFI Scheme for Smith's Wood Academy. The annual cost of the PFI contract fluctuates with RPI and is approximately £778,000. Annual funding is received from the ESFA towards these costs of which £400,470 was received in the year to 31 August 2020 (2019: £373,302).

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain directors' remuneration and expenses already disclosed in note 12.

30. Agency arrangements

The Academy distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £20,684 (2019: £23,230) and disbursed £16,392 (2019: £20,310) from the fund, which includes a 5% admin fee. An amount of £60,182 (2019: £55,890) is included in other creditors relating to undistributed funds.