

# **FOLIO EDUCATION TRUST**

**(A Company Limited by Guarantee)**

## **Consolidated Annual Report and Financial Statements Year ended 31 August 2020**

**Company Registration Number:  
07627302 (England and Wales)**

# FOLIO EDUCATION TRUST

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# Folio Education Trust

## Reference and Administrative Details

Members	Mr P.Huitson, BA ( Resigned 31 December 2019) Mr K. Plummer Mrs A Roderigues Mr A Inkester Dr T Crayford
Trustees	Mr P.Huitson Mr J Wilden Dr T Crayford (Chair of Trustees) Mrs J Speller Mrs V John Mr D Herrick Ms R Baylis-West Ms H Latham Ms J Percival (Resigned 1 May 2020) Mr D Rehal (Appointed 23 September 2020) Ms R Evans (Appointed 23 September 2020)
Company Secretary	Mr R Baker, FCA
Executive Leadership Team:	
Chief Executive Officer	Mr J Wilden
Chief Financial Officer	Mr R Baker, FCA
Chief Operating Officer	Mr O Blackburn
Headmaster –Wallington County Grammar School	Mr J Bean
Co-Headteachers - St Peters Primary School	Mrs C Barriball and Mrs S Sandle
Head Teacher – Park Hill Junior School	Mrs A Pratt
Head Teacher – Coombe Wood School	Mr B Laker
Principal and Registered Office	Melville Avenue South Croydon, Surrey, CR2 7HY
Company Registration Number	07627302 (England and Wales)
Independent Auditor	Buzzacott LLP 130 Wood Street London, EC2V 6DL

# Folio Education Trust

## Reference and Administrative Details

Bankers

Lloyds TSB  
49-53 High Street  
Sutton  
Surrey SM1 1DT

Solicitors

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London, EC1M 6HR

# Folio Education Trust

## Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements incorporate the activities of the Trust's wholly owned trading subsidiary, Folio Services Limited (Company Registration Number 11387304).

The Trust operates four academies serving a catchment area across South London but predominantly in the London Boroughs of Sutton and Croydon.

### Structure, Governance and Management

#### Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the trust. The Trustees of Folio Education Trust are also the directors of the charitable company for the purposes of company law.

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

#### Members' Liability

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

#### Investments

The trust has one subsidiary company, Folio Services Limited. The principal activity of Folio Services Limited is to provide catering and education welfare services to educational establishments. Any taxable surpluses generated by the subsidiary are transferred to the Trust under Deed of Covenant. In the current year, the overall surplus generated was £5,331 (2019:£488)

#### Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees 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.

#### Method of Recruitment and Appointment or Election of Trustees

Trustees are 'co-opted' (appointed) by the Trust Board following a skills audit and rigorous recruitment process which ensures the right people are asked to support and challenge Folio Schools. Terms of Office for all Trustees is four years during which time each Trustee has a specific area of evaluation such as Quality of Education, Financial Management and Audit etc. The Chief Executive Officer for the Trust acts as an ex-officio Trustee.

The term used to describe the local governors are Lead Advisors and these people join together to form a Local Advisory Board (LAB). Similarly to the Trust Board, Local Advisors are appointed for four years following a rigorous recruitment process which identifies the skill set required to ensure all schools are evaluated and suitably supported and challenged in key areas of evaluation such as Safeguarding, Health & Safety and Quality of Education.

# Folio Education Trust

## Trustees' Report (continued)

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

During the period Trustees attended courses carried out in the Trust as well as seminars on offer through local government and external providers such as Octavo Governor Services provided within Croydon. New Trustees are inducted by the Chief Executive Officer and other members of the Folio Executive Leadership Team. All Trustees are provided with a Handbook which contains all the “need to know” information about the Trust ensuring that all Trustees have an in-depth knowledge of the Trust and all Folio Schools.

The Trust has developed a governance model of using ‘Lead Trustees’ and ‘Lead Advisors’ who visit the schools preceding committee meetings to support and challenge the schools. This initiative ensures that Lead Advisors / Trustees develop an area of expertise within Trust and school evaluation and are able to improve the level of accountability while making committee meetings more time efficient and targeted.

The Trust is evaluating the quality of its induction processes following both a MAT Review in Autumn 2019 and an external Governance Review conducted by the internal assurance provider in July 2020.

### **Folio Education Trust Board – Lead Trustee roles**

Lead Trustee for Leadership & Management to include Safeguarding

Lead Trustee for HR & Strategic Growth

Lead Trustee for Financial Management and Audit

Lead Trustee for Operations

Lead Trustee for Health & Safety

Lead Trustee for Admissions & Finance

Lead Trustee for Personal Development & Wellbeing

Lead Trustee for Digital Learning

Lead Trustee for IT Operations

# Folio Education Trust

## Trustees' Report (continued)

### Organisational Structure

The Multi-Academy Trust (MAT) known as Folio Education Trust appointed a Chief Executive Officer to oversee the performance of following schools:

Coombe Wood School (CWS)

Wallington County Grammar School, Sutton (WCGS)

St Peters Primary School, Croydon (SPPS)

Park Hill Junior School, Croydon (PHJS)

The Chief Executive Officer is also responsible for overseeing expansion projects which included the opening of Coombe Wood School, Croydon in September 2018. This school is being delivered under the Department for Education's Free School programme.

The organisational structure for the Senior Leadership Team (SLT) of each school in existence is as follows:

CWS -	Headteacher Assistant Headteacher x3 Senior Teacher x2
WCGS -	Headmaster Deputy Headteacher x2 Assistant Headteacher x3
SPPS -	Co – Headteachers x2 (Full Time) Assistant Headteacher x1
PHJS -	Headteacher Deputy Headteacher x2 (Part Time) Assistant Headteacher x1

SLT's are responsible for day-to-day operational running of the school. Each school retains a Local Advisory Board (LAB) who act as an essential part of the Folio Governance structure.

# Folio Education Trust

## Trustees' Report (continued)

Each LAB has a Chair, Vice Chair and Lead Advisors who all support and challenge the school in specific areas of school evaluation and development. Each LAB has two committees to oversee the school. These are LAB Standards which looks at Quality of Education and Outcomes of Pupils and LAB Resources which looks at Personal Development, Behaviour and Welfare of students and staff, Health and Safety (including Safeguarding) and contextual Financial Risk Variables. Each committee meets once each term to oversee progress against specific development objectives and agreed Key Performance Indicators (KPIs). There are six meetings in total. All minutes from LAB meetings are shared with the Trust Board.

Folio Trust Board oversees the work of the LABs. The Trust Board holds overall decision making responsibility for all schools within the Trust. (See published Scheme of Delegation) While matters relating to curriculum, behaviour and teaching and learning routines and procedures are delegated to the LABs and SLTs of each school, the Trust Board retains more strategic oversight of matters such as:

Setting Financial Budgets and the Levy for Shared Services.

All major service contracts to maximise purchasing power and economies of scale.

All major significant capital projects.

Shared Services such as Financial Management, HR services, Legal services and IT support.

Remuneration of staff salaries and appraisal and capability mechanisms.

The Executive Leadership Team for the Trust includes:

Chief Executive Officer

Chief Operating Officer

Chief Financial Officer

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

The key management personnel of the Trust responsible for directing and controlling the MAT comprise the Trustees and Trust Executive Leadership Team. The Trustees receive no remuneration for their role as Trustees.

#### **Chief Executive Officer**

The Trust uses benchmark comparisons from other Trusts which are of a similar size and in similar geographical locations. The salary for the Chief Executive Officer is set by the Trust Board Remuneration Committee.

#### **Chief Operating Officer**

The Trust uses benchmark comparisons from other Trusts which are of a similar size and in similar geographical locations. The salary for the Chief Operating Officer is set by the Trust Board Remuneration Committee.

# Folio Education Trust

## Trustees' Report (continued)

### Chief Financial Officer

The Trust uses benchmark comparisons from other Trusts which are of a similar size and in similar geographical locations. The salary for the Chief Finance Officer is set by the Trust Board Remuneration Committee.

### Folio Head of School / Headteachers

The Trust uses benchmark comparisons from other schools which are of a similar size and in similar geographical locations. The salary for a Head of School / Headteacher is set by the Trust Board Remuneration Committee which also uses guidance within the School Teachers Pay and Conditions Document (STPCD) as a guide to ensure the salary is proportionate to the size and type of school.

### Other Senior Staff (Deputy Headteachers and Assistant Headteachers)

The Trust Finance Management & Audit Committee are delegated responsibility to set a salary structure for the school which identifies suitable pay ranges for senior staff on the leadership pay scale. These scales are benchmarked for equality and consistency. A rigorous process of appraisal and performance management monitors and uses performance related pay

### Trade Union Facility Time

#### Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.87

Percentage of time	Number of employees
0%	2
0%-3%	2
1%-50%	0

Total cost of facility time	£3,400
Total Pay bill	£11,473,000
Percentage of pay bill spent o facility time	0.029%

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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# Folio Education Trust

## Trustees' Report (continued)

### **Related Parties and other Connected Charities and Organisations**

The Trust is a member of the Partnership of Sutton Secondary Schools (PSSS or Sutton Alliance), which includes autonomous converter academies and maintained schools within the London Borough of Sutton. The Trust is also a member of the Croydon Headteachers Association (CHTA). These Partnerships work together for the benefit of all their students and the young people of Croydon, Sutton and surrounding areas working collectively on matters of shared interest and co-operating with the Local Authority (LA) and local primary schools, secondary schools and special schools. The Trust continues to purchase some services from the LA (Croydon & Sutton) under normal business arrangements. The Trust always seeks value for money. An example of this would be that Governor Training is currently procured from Croydon Octavo Services. During 2019/20 Folio Education Trust was a significant contributor to the Sutton Alliance Review process which organised peer review visits to other Sutton schools supporting school evaluation, development and assessing the effectiveness of school improvement strategies.

The Trust has a subsidiary company, Folio Services Ltd, which was formed to manage the hire of school facilities and provision of catering and educational welfare services to schools outside of the Trust, as well as any other trade or business which can, in the opinion of the Board, be carried on in connection with or ancillary to any business of the Trust.

### **Engagement with employees ( including disabled persons)**

All schools have number of features to assist with the dissemination of information, which are used depending on the type of details being shared, e.g.

1. staff intranet for policies, departmental information, safeguarding, welfare, in summary for reference information
2. school websites for publicly available information and vacancies (latter directed to by sharing internal staff vacancy bulletin)
3. weekly staff briefings either by regular meeting or online (Covid rules)
4. a collective email distribution group for teaching and non teaching employees, and for the central service team, for information that needs sharing on a scheduled basis
5. email announcements that share good news or celebrate achievements or as an alert for safeguarding etc.

Last year the Trust participated in a trial run through TES of weekly / fortnightly surveys on a random selection of pre-determined aspects of school operation; the outcomes were shared with Headteachers and concerns or issues raised were addressed. One school chose to continue this project (Staff Pulse) whereas the others did not consider it sufficient cost benefit and have since developed and run their own surveys to assess views and seek input. Development plans are drafted following a breadth of consultation including LABs.

Through a cascading arrangement of performance management all staff should have an awareness of how their contribution feeds into school development and success

Significant amounts of student/pupil performance data is generated, analysed, acted upon and monitored and reviewed as part of the annual operation of the schools; successful strategies are subsequently shared as part of the professional development programmes that are scheduled throughout the year and noted through performance management. Public exam results, external reviews and Ofsted Inspections all inform on academic progress the outcomes of which are shared through appropriate channels

# Folio Education Trust

## Trustees' Report (continued)

All our application materials stipulate and refer to the Equal Opportunities policy and its guidelines for example

1. the Equal Opportunities statement on the advertisement
2. part of the application form inviting people to notify us (in confidence) of any adjustments required for them to be appropriately considered in the selection process
3. flexibility on hours to accommodate conditions if required
4. Training and promotion would be done on the basis of needs and performance based evidence, regardless of disability.

### **Engagement with suppliers, customers and others in a business relationship with the trust**

The Trust has fostered business relationship with suppliers, customers and others by:

- conducting regular meetings with suppliers to review contracts/services provided
- acting according to the PPN notices and giving due consideration of supplier's positions during the Covid-19 pandemic
- regularly communicating with the school's customers to ensure that they are well informed as to the availability of the school's resources for their usage
- regular communicating with students to ensure that they are well informed regarding all school matters
- regular communications with parents, including daily/weekly updates during summer lockdown

### **Promoting the success of the company**

The Trust has taken the following actions to promote the success of the company:

- Ensured that there is robust financial management in all schools, and that there are systems in place to support this, and investigated processes and options to improve financial efficiency
- Recruited and retained the best teaching and support staff
- Ensured that there are robust safeguarding policies within schools
- Identified shared opportunities for CPD and curriculum and resource planning to strengthen the quality of teaching and learning and its impact on students' progress
- Developed and implemented trust wide ICT strategy and programme to continually improve ICT hardware and software to deliver desired outcomes
- Investigated further funding opportunities where applicable.
- Ensured the Trust has management capacity to deliver sustained improvement and growth.

# Folio Education Trust

## Trustees' Report (continued)

### Objectives and Activities

#### *What do we believe as an organisation?*

We believe in the power of collaboration and the importance of developing schools who instil ambition and the desire in every staff member and every young person to discover and achieve their personal best, overcoming any challenge they may face. The Trust is committed to the pursuit of excellence, with young people at the heart of everything we do and personal wellbeing prioritised at every stage. We believe in ourselves. We believe in each other.

#### *Our Mission and Purpose – why do we exist?*

To provide inspiring and safe places to learn, where young people are respected, their talents nurtured and where they are able to thrive. Folio Schools offer young people the best chance to lead happy, healthy lives and to be responsible, active citizens.

In Folio Schools;	Young people are healthy and happy.
	Young people feel safe.
	Young people have good relationships.
	Young people become active and involved in school life and the wider world.

# Folio Education Trust

## Trustees' Report (continued)

### Strategic Report for schools within Folio Education Trust

All Folio Schools felt the impact of COVID-19 and all children will therefore have made less than expected progress despite work and investment in blended learning.

In response to the pandemic Folio Education Trust appointed two new Trustees on 23<sup>rd</sup> September 2020 who were to lead in the following two areas:

Digital Learning: Curriculum Intent and Implementation

IT Business Support Services: How can we serve our schools better with regards IT infrastructure?

With the news that external benchmarks were cancelled for 2019/2020 (Key Stage 2 SATS, GCSEs and A Levels) it is not possible to show national benchmarking of student progress data.

All Folio Schools adjusted their School Development Plans for 2020/2021 to reflect any strategic objectives that were not met during 2019/2020.

### Coombe Wood School: Self Evaluation Summary 2019/2020 for Quality of Education

- Whole school and departmental curriculum intent documents that have informed 5-year curriculum maps for each department, are embedded in school and guiding lesson planning. These have been quality assured by AHT for Q of E at CWS and AHT for Q of E at partner Trust School – Wallington County Grammar School (WCGS.) Also moderated via cross Trust departmental meetings.
- Online 'COVID proof' careers programme now up and running which will allow current Y9 to catch up with careers exposure lost during 2019-2020 when planned face to face events were cancelled.
- KS3 and proposed KS4+5 curriculums offer a broad range of subjects. The curriculum is tailored to appropriately challenge and support SEND students. (See details of KS3 curriculum offer and KS4+5 proposed curriculum offer in full SEF 1a.1.)
- The CPD training offer for staff to target improvement in their 'CWS Big 6' delivery is wide and delivered with quality (rated 4+ out of 5 via SDP key target 4 tracking 2019-2020.)
- As a result, Developmental Drop Ins (DDIs) and formal lesson observations provide written evidence of a combination of good and outstanding delivery of the 'CWS Big 6' principles of learning.
- School Development Plan attendance and effort/conduct/organisation data evidences that students attend very well and take their learning seriously and as a result consistently produce work of a high quality. (Whole school attendance 96% and average ECO scores in SDP between good and outstanding.)
- SEND students benefit from a Transition model running through KS3 as well as targeted interventions, as a result they outperform their year group cohorts as a whole in the SDP KPI measure of residual to target grade (see full SEF 1.4 – between our last two data drops Transition Group students made more residual progress towards target grades than their year group cohorts.)
- Trained examiners in departments support the moderation and accuracy of GCSE assessment gradings for all students in Y7-9.
- Assessment, Recording and Reporting cycle termly data drops are analysed by Heads of Department, inform planning and advise interventions to boost progress, all of which are now logged and evidenced on SIMS.
- All strands of the whole school Literacy Policy are being carried through (vast majority of students hitting or exceeding expected reading age levels with interventions in place and being monitored for effectiveness where individual student progress is below expected levels.)

# Folio Education Trust

## Trustees' Report (continued)

- Blended Learning systems embedded via Google meets and Show My Homework. Staff training completed re handling the tech and effective delivery of the 'CWS Big 6' remotely. By day two of first bubble closure (10.11.20) online live lesson attendance in line with normal school attendance.
- Year group cohort progress on GCSE flightpath is in line with expected progress from KS2 scaled scores. PP and SEND cohort progress is better than expected progress. Progress of HAPS no longer stalled and begun moving closer to target grade. (See data in full SEF 1.4 and 1c.1 as well as SDP.)

### **Park Hill Junior School: Self Evaluation Summary 2019/2020 for Quality of Education**

- Our School is highly successful in delivering a curriculum which is tailored to the 'whole child' and promotes our aims of preparing our pupils with the knowledge and skills for their future. The depth of it ensures that pupils are 'future proof' as our teaching facilitates thinking and thought processes which enables our pupils to be curious about the world around them. Our core values - respectful, kind, resilient, rigorous, aspirational are designed to encompass the diverse and unique community in which our pupils live.
- 100% of our teachers are rated 'effective' (E- good) or 'highly effective' (HE -outstanding) with 83% being 'highly effective' at the end of the 2019-20 academic year. We have a lot of experience in the implementation of the curriculum within the team and our coaching strategy will enable effective teachers to move to HE as quickly as possible. These judgements have been informed and quality assured by our rigorous monitoring and evaluation system - appraisal evidence including learning observations, drop ins and work samples, regular SLT quality assurance meetings, paired observations (SLT/ other), peer observations, subject plan reviews, phase and year group moderations and annual external moderations.
- Our teachers and support staff show passion and enthusiasm for the 'whole child' which encourages pupils to be highly motivated and engaged both in and outside of their classrooms. This is reflected in the wide variety of interventions, before & after school boosters, holiday boosters on offer and the high engagement in these. We have also tailored our curriculum to address our diverse, multicultural, multi-religious school community.
- Our teaching is highly effective as lessons are well planned in line with the ambition of the national curriculum. Lessons are taught in a logical order so that pupils develop their skills and know and remember more. (Ofsted 01/20)
- Our curriculum has an extremely high impact on pupils' outcomes, as the teaching of it is clearly tailored towards knowledge acquisition and it's application across subjects. Pupils therefore retrieve this knowledge as they remember more of what they are being taught due to the style of teaching. HMI stated in our last Ofsted report that it was clear that teachers deliver the subject content that leaders intend, with great impact. Those with Special Educational Needs (in-year data 2019) and those receiving the PPG are on an upward trajectory as gaps in achievement are being closed successfully.
- Reading is a priority and pupils understand how important it is for their future. But pupils also read for their enjoyment. For example, pupils review the books they read and star rate them.
- Though most Y3 pupils' starting points are lower than what we expect due to the Infants-Juniors transient, they do catch up by the time they get to the end of Y4 and our Y6 outcomes trend shows that teaching and learning is of a high standard.

# Folio Education Trust

## Trustees' Report (continued)

### St Peter's Primary School: Self Evaluation Summary 2019/2020 for Quality of Education

- Curriculum has been designed to be broad and balanced and to ensure that children are excited about their learning
- Phonics results in 2019 show that 82% of pupils achieved the expected standard in Y1 and 95% of pupils achieved the expected standard by the end of Y2. This demonstrates that our phonics teaching is highly effective in teaching children to blend and decode.
- At the end of Key Stage 1, the % of children at EXS is above national, with writing and maths significantly above. This demonstrates good progress from their starting points.
- The 3 teacher model in year 6 has been effective in raising attainment in writing from 60% to 73% and in maths from 70% to 85%.
- Teachers introduce pupils to new subject content in a logical order that helps pupils to build their understanding and remember important knowledge.

### Wallington County Grammar School: Self Evaluation Summary 2019/2020 for Quality of Education

- The School is highly successful in delivering a highly academic curriculum that: promotes depth and the value of scholarship; is broad to ensure students are 'future proof' by teaching them how to think across a range of disciplines; develops our core values of commitment, compassion, courage and creativity; and prepares students to participate and lead in Great Britain's democracy;
- 100% of our teachers are rated 'good' or 'outstanding' with 59% being 'outstanding' at the end of the 2019-20 academic year and the School is working effectively with new staff to train them up to these high standards as quickly as possible. These judgements have been informed and quality assured by: appraisal evidence including learning observations, drop ins and work samples; regular SLT quality assurance meetings; paired observations (which are the norm); Subject Area Reviews and annual external quality assurance reviews;
- Of the passion and enthusiasm of our teachers which encourages students to be highly motivated and engaged both in and outside of lessons. This is reflected in the wide variety of academic clubs and societies on offer and their exceptionally high attendance;
- Teaching is highly personalised and challenging with 'Deep Thinking Challenges' being used to push the most-able students 'out of the comfort zone';
- Our curriculum has an extremely high impact with students achieving a Value Added/Progress8 score within the top 4% of schools nationally for the last six years and those with Special Educational Needs being in the top 4% of all students nationally in 2019 (2020 performance tables cancelled).

### Folio School Development Priorities for 2020/2021

#### Coombe Wood School – Development Objectives for 2020/2021

- Priority 1:** Respond to the impact of COVID-19.
- Priority 2:** Further development of SEND and LAC provision.
- Priority 3:** Development of Sixth Form model to allow for opening well in September 2021.
- Priority 4:** Development of daily routine, rules and procedures to allow for effective transition into the temporary St Andrew's site and the CWS permanent building for students and staff.

# Folio Education Trust

## Trustees' Report (continued)

**Priority 5:** Further development of continuing professional development (CPD) and wellbeing offer for all staff.

### **Park Hill Junior School – Development Objectives for 2020/2021**

**Priority 1:** Respond to the impact of COVID-19

**Priority 2:** To ensure our September 2020 curriculum enables all groups of pupils to make progress in the foundation subjects.

**Priority 3:** To enhance our pupils' core skills (Literacy & Numeracy) to give them the tools to develop their fluency.

**Priority 4:** To ensure that the needs of our changing community are reflected in our provision.

### **St. Peter's Primary School – Development Objectives 2020/2021**

**Priority 1:** To ensure the return to school following the easing of Covid-19 restrictions takes place considering the medical risks and future wellbeing and education of our children.

**Priority 2:** To develop and focus on a whole school framework for emotional well-being and mental health of our school community.

**Priority 3:** To ensure that there is a thorough and consistent approach to the planning and teaching of reading and spelling across the school.

**Priority 4:** To ensure that our curriculum offer is effective in providing progression, coverage and creativity and allows for a smooth transition between classes and Key Stages.

**Priority 4:** To ensure that the provision for those children with a high level of need, (in particular those moving from R to Y1) is managed carefully in terms of support, curriculum and working space upon their return to school following the school closure due to Covid 19 and also from their current class to their new year group. To ensure that the transition of our new Reception pupils from preschool to Reception is managed sensitively, taking account of Government advice and restrictions.  
Further develop 'Dyslexia Friendly Classroom' strategies and resources across the school.  
Develop the teaching of vocabulary within classrooms to support children with SLCN.

# Folio Education Trust

## Trustees' Report (continued)

### Wallington County Grammar School Development Objectives 2020/2021

- Priority 1:**      **Curriculum:** Design, sequence and implement a recovery curriculum that allows all students to learn effectively and reach their potential following the COVID 19 pandemic.
- Priority 2:**      **Teaching:** Carefully manage the cognitive load of students during retrieval practice activities, ensuring these always link into what new information will be learned in the lesson to help students build schemas. Ensure activities take place independently in silence when there is a risk of cognitive overload.
- Priority 3:**      To ensure staff and student wellbeing.
- Priority 4:**      **Clubs and Societies:** Ensure clubs and societies support our curriculum intent

### Other Activities within Folio Education Trust

The Multi-Academy Trust was set up to support schools and therefore the development of young people in the area local to Croydon and Sutton. It has enabled the Trust to deliver a new Free School in South Croydon (Coombe Wood School) which opened in September 2018. This project has been approved by the Department for Education and has obtained a capital budget from the ESFA and planning permission from Croydon Council to build on a site identified with Croydon's Local Plan.

Through the delivery of Coombe Wood School, Folio Education Trust is exploring the delivery of specific sports to benefit the local community through a Community Use Agreement signed by Sport England and Croydon Council.

Coombe Wood School welcomed its second cohort in 2019/2020 and so now has 360 children on roll (Year 7 and Year 8) This remains a significant expansion project for the Trust and will in September 2021 open its Sixth Form.

Other activities within Folio Education Trust include smaller strategic projects to help expand the organisation to support more schools.

### Public Benefit

The Trust's trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission exercising their powers of duties. The previous discussion regarding objectives and activities demonstrate how the public benefit test has been met.

### Going Concern

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

# Folio Education Trust

## Trustees' Report (continued)

### Financial Review

Most of the Trust's income is obtained from the Department for Education (DfE) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

Grants received for capital purposes are shown on the SOFA as restricted fixed asset funds. The balance sheet fixed asset fund is reduced by depreciation charges over the expected useful life of the asset.

Grants and donations have also been given to the trust, mainly from parents who donate on a regular basis, to supplement grant income. This income is usually used to cover running costs of co-curricular activities that are additional to the basic school activities but are considered important for expanding pupil opportunities, it is shown as unrestricted income in the SOFA.

Income from catering and extended school services was significantly impacted in the year due to school closures as a result of Covid 19. Catering income in the year was £161k less than the previous year while income from extended services was reduced by £123k. As this income is generally used to fund the salaries of staff running these services the trust furloughed a number of employees for 4 months under the Job Retention Scheme and received £63k through the scheme.

In accordance with the Charities SORP, grants and donations received for specific purposes are shown in the SOFA as restricted funds.

Fixed Assets purchased in the year have been funded by capital grants received of £290,000 and a transfer from unrestricted funds of £40k. At 31 August 2020, the net book value of fixed assets was £28m and movements in tangible fixed assets are shown in Notes 12 and 13 to the financial statements. The assets are used primarily for providing the Trust's educational operations and associated support services to the pupils of the Trust.

The Education & Skills Funding Agency commissioned Land & Property valuation of academies, the prime purpose of which is to fulfil a departmental commitment to HM Treasury to provide a balance sheet value for inclusion in the Whole of Government Accounts 2016/17. The valuations were undertaken based on a desktop review of information publicly available. The Trust has applied these valuations to Land and Buildings of Wallington County Grammar School, Park Hill Junior School and St Peter's Primary School as shown in the balance sheet and adjusted it to allow for any additions in subsequent years.

The Trust held fund balances at 31 August 2020 of £22.8m which consisted of £28m being the value of Fixed Assets, £102,000 of general restricted funds, £500,000 of Unrestricted Reserves and the deficit on the defined benefit pension schemes of £5,665,000. The purposes of the restricted funds are set out in Note 17.

# Folio Education Trust

## Trustees' Report (continued)

### Reserves Policy

Maintaining an appropriate level of financial reserves is considered essential in protecting the trust from financial risk generated by, for example;

- ◆ income reduction due to Government funding changes
- ◆ unexpected falls in student numbers
- ◆ cash flow issues due to delays in receipt of funding
- ◆ emergencies

As the MAT expands we will look to fund the expansion by driving further financial efficiency savings by means of a shared services offering across schools within the MAT and the increased purchasing power that increased size brings with it.

In general, it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the trust's primary objective is preserved. At the same time, the trust wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision. Trustees will monitor levels of reserves in financial reports provided by the Chief Financial Officer and in the audited annual financial statements. Trustees will aim for a prudent level of reserves to be maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Trustees will take into account the following:

- ◆ one month salary bill
- ◆ the Trust's annual budget
- ◆ the need for any large project spend such as facilities development or building condition needs
- ◆ any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- ◆ anticipated funding over the next three years.

This policy will be reviewed annually.

The Trust has inherited a significant deficit from the Local Government Pension Schemes. The value of the liabilities and the deficit are highly influenced by the actuarial assumptions, and current asset values are depressed due to current economic conditions. 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's pension reserve is reporting a deficit at 31 August 2020 of £5,665,000, compared to a deficit at 31st August 2019 of £3,944,000.

The Trust has Other Restricted Reserves of £102,000. The purpose of these reserves is disclosed in Note 17.

The Trust has Unrestricted Reserves of £500,000. Unrestricted reserves will help to cover running costs over the next twelve months.

Tangible fixed assets are all held for use by the Trust, hence are not included in the reserves policy. The Trust's cash reserves at 31 August 2020 are £1,673,000.

# Folio Education Trust

## Trustees' Report (continued)

Although the total reserves available to the Trust at the end of the year are within the level of 5-8% of GAG & Other Government Grant Revenue that has been set in the reserves policy, the Board is acutely aware that current capital commitments will diminish the reserves to an expected 2% level by the end of 2020/21. The investment being made in sports facilities at Coombe Wood School is planned to rebuild these reserves over the next few years and our current three year plan shows us edging back towards the lower end of our stated reserves policy. The assumptions in the sports lettings model have been conservative in light of the current Covid 19 pandemic, and with the renewed hope that a vaccine will be available shortly, it is hoped these will be exceeded, which would see us comfortably back in the mid-range of reserve levels.

### Investment Policy

Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board. Trustees' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from approved banks included in the Financial Services Compensation Scheme (FSCS). Trustees will seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. Arrangements for deposits may include, but are not limited to Treasury Bonds and CCLA Deposit Accounts. Deposit account providers must be selected from the approved banks covered by the Financial Services Compensation Scheme (FSCS) or from the CCLA.

### Principal Risks and Uncertainties

The Trust practices, through its Board of Trustees and the constituted sub-committees (Finance Management & Audit Committee), risk management principles. Any major risks highlighted at any sub-committee are brought to the main board with proposed mitigating actions and they continue to be actively reported until the risk is adequately mitigated. The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of the process requires major risks to be resolved by the Board of Trustees collectively, whilst minor risks are dealt with by the Senior Management Team within the school. The principal risks facing the Trust are:

- ◆ Reputational risk - mitigated by maintaining good relations with local stakeholders, improving standards in learning and behaviour, and providing a broad-based and relevant curriculum.
- ◆ Performance risk - mitigated by monitoring each student's progress at each Key Stage and providing additional resources as necessary.
- ◆ Financial risk - the principal risks here are a reduction in student numbers, reductions in central government funding, unbudgeted increases in teaching or support staff costs or unbudgeted major capital repairs. The risks here are mitigated by careful budget planning and monitoring and by holding sufficient reserves to cover challenging financial circumstances.
- ◆ Risks associated with personnel - mitigated by ensuring that the school has correct recruitment and performance management procedures, and that all staff are supported, motivated and valued.

# Folio Education Trust

## Trustees' Report (continued)

To support the Trust in its response to the COVID-19 pandemic it appointed a Lead Trustee for COVID-19 in April / May 2020. This person updated the Trust Board regularly on changing DfE and Public Health Guidance and liaised along with the CEO with Folio Headteachers. Principle risks and uncertainties included financial risks such as increased expenditure on resources to support schools create COVID-19 system of controls and safe environments for children and staff. At the beginning of the pandemic the Trust supplied food parcels for vulnerable families until the government food voucher scheme took over. There was variation in spending patterns for catering due to less children attending. There were some increased staffing costs to support overtime and cover teachers who would support schools during significant staff absence.

Risk associated with the impact of the virus on staff was mitigated as far as possible through working with HR retained services who advised on how best to support Clinically Extremely Vulnerable staff.

### **Fundraising**

The Trust is grateful for the continued support of donors, including parents, in the form of donations and subscriptions.

The Trust does not actively solicit donations from the public and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the Trust protects personal data and would never sell data or swap data with other organisations. During 2019, the Trust received no complaints about fundraising activities.

Folio Schools will have all experienced disruption in their fundraising capacity due to the COVID-19 pandemic. Schools were running Year Group bubbles which would limit the opportunity for school wide fundraising initiatives which involved children of different year groups mixing. The PTFA – Parent Teachers and Friends Association limited their activities due to social distancing and COVID-19 restrictions.

# Folio Education Trust

## Trustees' Report (continued)

### Streamlined Energy and Carbon Report

<b>UK Greenhouse gas emission and energy use data for the period 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	1,786,191
Scope 1 emissions in metric tonnes CO <sub>2</sub> e	
Gas consumption	210
Owned transport – mini-buses	3
Total scope 1	213
Scope 2 emissions in metric tonnes CO <sub>2</sub> e	
Purchased electricity	146
Scope 3 emissions in metric tonnes CO <sub>2</sub> e	
Business travel in employee owned vehicles	1
Total gross emissions in metric tonnes CO <sub>2</sub> e	360
Intensity ratio	
Tonnes CO <sub>2</sub> per pupil	0.16

# Folio Education Trust

## Trustees' Report (continued)

### **Quantification and Reporting Methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

### **Intensity measurement**

The chosen intensity measurement ratio is total emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

### **Measures taken to improve energy efficiency**

The schools within the trust have all taken significant initiatives over the last 5 years to improve energy efficiency with the installation of LED lighting in all locations, effective provision of energy efficient double glazing in all schools, and the adoption of significant energy efficiency initiatives in all the capital updating projects undertaken. Our brand new free school has incorporated the latest energy efficiency technology in its construction, and all schools incorporate at least an element of Solar power.

With respect to other measures, the trust is encouraging the use of electric vehicles in the provision of 20 active, and a further 20 passive charging points at Coombe Wood School. We have also recognised the ease at which meetings can be handled remotely due to the restrictions of Covid 19, and are now actively encouraging greater use of this technology to reduce emission & energy usage associated with car journeys.

# Folio Education Trust

## Trustees' Report (continued)

### Plans for Future Periods for Folio Education Trust

#### *Our Vision and Goals – where will we be by 2025?*

By 2025, we aim to establish a wider family of collaborative Primary and Secondary Schools supporting over 5,000 young people and 500 staff all working towards the following outcomes;

- ◆ Goal #1 - We will deliver outstanding educational standards across all Folio Schools ensuring we have the capacity to create a sustainable and collaborative model of school improvement which continually evaluates, develops and celebrates success.
- ◆ Goal #2 - We will recognise the rights of all young people ensuring that daily school life gives children the best chance to lead happy, healthy lives and the opportunity to become responsible, active citizens.
- ◆ Goal #3 - We will be an employer of choice, providing good people management, transformational leadership and opportunities for all staff to fulfil their potential. We will recognise the importance of investing in staff and focussing upon people's well-being
- ◆ Goal #4 - We will provide a shared services model for all Folio Schools which listens, understands and anticipates the needs of the people that are being served. Through a process of identifying and mitigating risks we will deliver excellent value for money and efficient resource management.

A key feature of the Trust's response to the COVID-19 pandemic was the way in which Folio Schools collaborated to reduce the risks and impact. Folio Headteachers joined together in a working group which shared strategies to mitigate COVID-19 risks and were joined by Trustees and senior Trust executives

During 2019/2020 Folio Education Trust began to look at the merits of merging with another Multi Academy Trust. This was aided by the pandemic creating an opportunity of reflection and evaluation. The key drivers for a potential merger would be to enhance the quality of education for children through increased collaboration of staff over a greater number of schools and to ensure better value for money through the Trust's business support services which would include catering, financial management, estate management and shared IT and HR services.

### Funds Held as Custodian Trustee on Behalf of Others

The Trust holds £5,000 on behalf of the family of a former WCGS student, Jamal Ottun, which is to be used to award a Scholarship to one of our sixth form students. The family participate in the selection of the student to receive the award based upon recommendations from the school. The payment will be made in the spring term of the student's first year at University, and the family then intend to replace the fund for subsequent years' awards.

The Trust also administers funds on behalf of the Croydon School Sports Partnership, an organisation based at Park Hill Junior School, which works to improve PE and school sport within the London Borough of Croydon. At the 31<sup>st</sup> August 2020 funds held amounted to £114,000.

# Folio Education Trust

## Trustees' Report (continued)

### Auditor

Insofar as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware
- ◆ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13th January 2021 and signed on the board's behalf by:  
Signed



Dr Tim Crayford  
Trustee

13<sup>th</sup> January 2021

# Folio Education Trust

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Folio Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board maintains effective oversight over the Trust's finances by meeting 4 times per year and reviewing the reports of its dedicated Finance Management & Audit Committee, which meets 4 times a year.

The Trust Board has met 9 times and the Finance Management & Audit Committee 4 times during the year. 5 out of the 9 Trust Board meetings were extraordinary general meetings due to Covid. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Trust Board		Finance Management & Audit Committee	
	Meetings Attended	Out of a possible	Meetings Attended	Out of a possible
Paul Huitson	9	9	3	3
Jonathan Wilden	9	9	4	4
Dr T Crayford	9	9	4	4
Mrs V John	8	9	3	4
Mrs J Speller	8	9	-	-
Miss R Baylis-West	8	9	2	3
Mr D Herrick	9	9	4	4
Mrs H Latham	9	9	4	4
Ms J Percivall	2	5	1	3

In addition to the meetings above each Trustee has now been assigned a Lead Advisor role in line with the key areas of School evaluation identified in the latest Ofsted Inspection Framework. Each Lead Advisor will meet with relevant Trust staff at least once a term to evaluate the effectiveness of each area. A report will be provided to the Chair & CEO, and will be available for all other Trustees to review. Any significant issues or concerns will be formally raised at the next Board meeting.

## Folio Education Trust

### Governance Statement (continued)

In order to facilitate the above level of review, during the last academic year the Board carried out a skills audit of its members, and as a result of this four new Trustees have been appointed at the beginning of the current academic year to cover areas that required skills not obviously present on the current Board. It is the trusts intention that the skills audit tool will be used on a regular basis at both Trust and Local Advisory Board level.

The data and evidence provided to the Board has also been extensively reviewed and new key performance indicators are being developed in all areas of operations, and specifically in the area of Finance the Board is adopting the Integrated Curriculum Planning Tool developed by the Institute of School Business Leaders in conjunction with the Department for Education.

Towards the end of 2019/2020 the Trust conducted a Governance Review. This was carried out by the Trust's internal assurance provider. A summary of its finding were:

#### **Strengths:**

The Trust's board works to a clear, professional, and structured cycle of business with comprehensive minutes, reports and record of actions taken. Board meetings are professionally clerked. The governance system within the Trust is clearly described and operates at multiple levels through the Trust and locally at school level. For a Trust in relative infancy, all governance processes were defined in detail and cohesive in their relationship.

The development of a Governance Model, that reinforces the comprehensive scheme of delegation, is an example of best practice.

Financial management is controlled centrally through a designed shared service model. The Board has considered and implemented its processes for providing internal assurance.

#### **Areas for development:**

The internal assurance provider made 5 recommendations:

That the benefits and drawbacks of headteachers' attendance for the entirety of all board meetings be reviewed, particularly in the light of any further Trust expansion.

That the duties of Members are included in the scheme of delegation and that specific responsibilities for Members are considered as part of their terms of reference.

That the accountability lines for LABS are clarified as there appears to be inconsistency between the scheme of delegation and the published governance structure.

That the LABs' value added in respect of financial monitoring is clarified to ensure the intended reliance is embedded in practice locally.

That a trustee induction pack be developed, signposting to sources of information, training, and advice, and with an induction checklist that ensures all trustees attain a consistent level of knowledge of the Trust's schools, policies, and processes.

# Folio Education Trust

## Governance Statement (continued)

### Review of Value for Money

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

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

- ◆ the economic, efficient and effective use of all the resources in their charge – for example to produce better educational results;
- ◆ the avoidance of waste and extravagance;
- ◆ the prudent and economical administration of the organisation;
- ◆ the establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting;
- ◆ Ensuring that all expenditure related to measures taken as a result of the Covid 19 pandemic are clearly identifiable so that they could be reclaimed if allowed, or captured for exclusion in any future benchmarking exercises.
- ◆ Identifying opportunities for reducing staffing costs in areas funded by means of private funds, by furloughing staff that we not required to provide services such as Catering & Wraparound care whilst the schools were not in full operation during the year.
- ◆ ensuring all financial transactions represent value for money.
- ◆ Adherence to the principles of PPN02/20 and 04/20 in relation to supporting our long term service contractors, and working with them to plan a sustainable programme which benefits all parties.

A key objective is to achieve value for money not only for the organisation itself but for the taxpayer more generally. So whilst it involves an academy trust living within its budget and using its resources properly and with probity, it is primarily about how it continuously improves both the educational and wider societal outcomes for its pupils with the resources available.

With schools' budgets continuing to come under pressure due to the financial constraints being placed upon the public sector and increasing employment costs that have not been funded, it is essential that we develop innovative ways of ensuring that monies are spent in the most effective ways to achieve the best outcomes for the students.

# Folio Education Trust

## Governance Statement (continued)

### 1 . Maximisation of Efficiency within Curriculum Spending

One of the measures that the trust has taken again this year is to set aside an unassigned pot of money for curriculum spending by challenging each subject area to reduce their regular capitation by 25%. This fund has then been made available for subject leaders to bid for during the year to ensure that monies are spent in the areas requiring development rather than using what has been more generic or formulaic calculation of what each department receives. In submitting their bids, the subject leaders are required to indicate:

- ◆ How this investment will aid school improvement and improve teaching and learning
- ◆ How success of the initiative will be monitored and impact measured
- ◆ Finally, an evaluation is carried out and included in the subject area evaluation

This approach ensures a much more targeted approach of investing in areas of need that make a measureable difference, whilst not starving departments of the funds necessary to deliver the core objectives within their subjects.

### 2 . Collaboration Locally & Nationally

The trust also takes a lead in a number of local initiatives targeted at driving improvement whilst minimising cost to the school communities as a whole. A fantastic example of this is the Sutton Alliance Review which is something which Wallington has taken a leading role in developing.

This review takes the form of a mini Ofsted style review of areas that the school in question wishes to be examined, either because they think this is an area they believe to be already excellent and they wish to confirm their own evaluation methodology, or an area they feel that they need assistance in, in order to learn and improve by gathering specific input from other schools in preparation for any inspection that may take place.

The reviews are carried out by senior leaders within the Sutton Alliance who rotate through the schools so that they get experience of reviewing and being reviewed. As the schools' own staff are being used, this minimises overall cost, delivering great value for money and also creates a great means for training and developing future leaders.

Another example of co-operation at this level that drives improvement and saves cost within the local borough is the regular forum style meetings that take place for Headteachers, Deputy Headteachers, and Business Managers. Each forum has its own targeted benefits with the Heads and Deputies looking to drive improvement and innovation and with the Business Managers looking to work together to drive down costs by collaboration and conducting benchmarking analysis.

With the transition to Multi-Academy Trust (MAT) status, initiatives have also been embarked upon to look at MAT to MAT collaboration both within Sutton, and also looking outwards across the South East as we look to expand.

Benchmarking has continued at a local level to ensure that schools evaluate what staffing models are working well within individual schools as well as sharing ideas for saving costs in any other innovative ways. Wallington has extended this level of co-operation by also working closely with the Boys Academic State Schools (BASS) group to help gather benchmarking data and ideas from schools across the country whose profile more closely matches that of a school with a high achieving selective nature.

This involvement with BASS has also extended to sharing ideas with groups throughout the schools so Heads, Deputies, Heads of Sixth Form and Subject areas also get together to share and learn from one another in a very cost effective way.

# Folio Education Trust

## Governance Statement (continued)

In addition to this the Chief Executive Officer continues to be closely involved with the Grammar Schools Heads Association.

### 3 . Centralisation of Back Office Functions

The trust continues to develop it's centralisation model for the more cost effective and efficient delivery of back office functions. This has achieved more streamlined systems functions to enable timely reporting and therefore intervention in areas of concern. The effectiveness of these services is monitored via metrics agreed by the Trustees which are reported on and reviewed on an annual basis.

In addition, the trust has also invested in key staff whose role it is to drive trust wide purchasing solutions, and cost effective procurement. Significant savings have already been achieved in premises & catering costs and further opportunities are being developed moving forward.

### 4 . Monitoring and Governance

All of these initiatives need to be closely monitored and evaluated and the school continues to work hard with its Trustees and Local Advisors to ensure transparency and deliver the appropriate level of challenge.

The trust uses Lead advisors to oversee specific areas of the schools performance and in particular the Trusts Finance Management & Audit Committee has continued to be of huge benefit to the MAT with its ability to dive deeply into the key areas of income generation and spending, concentrating on the following financial risk variables:

- ◆ Teaching Staff supply costs
- ◆ Administrative Staff supply costs
- ◆ Subject Area capitation and printing costs
- ◆ Parental Financial Voluntary Contributions
- ◆ Capital spending and premises costs

By focusing on these areas we have seen control of costs and an improvement in the support from our parents which has allowed for greater investment in co-curricular activities; these have a huge impact on the confidence and sense of achievement of our students.

Continued attention to the higher spend areas of expenditure has led to a number of initiatives that have helped us to achieve what we consider to be a very positive financial performance this year under difficult financial conditions. This has also allowed us to set a budget that will enable us to weather this period of austerity as we look to build the MAT and drive further financial efficiency savings by means of a shared services offering across schools within the MAT and the increased purchasing power that increased size brings with it.

# Folio Education Trust

## Governance Statement (continued)

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Folio Education 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 trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the 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 trustees.

### The Risk and Control Framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- ◆ regular reviews by the finance and operations 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 Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. Instead, the Trust commissioned its external auditor to carry out a supplementary programme of work. In the year ended 31 August 2020, the external auditor reviewed the Trust's core financial controls, and also carried out a governance review.

The revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal assurance services to it, subject to transitional arrangements. In response to this, the Trust has carried out a competitive tender process in November 2020 and has appointed a firm of accountants to provide internal assurance services going forward.

# Folio Education Trust

## Governance Statement (continued)

The Trustees have also appointed a Local Advisor for Financial Management for each school. The Local Advisor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the Local Advisor reports to the Trust Board on the operation of the systems of control and on the discharge of the trust boards financial responsibilities.

### 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 local advisor
- ◆ the work of the external auditor
- ◆ the financial management and governance self-assessment process
- ◆ the work of the executive managers within the trust 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 finance and operations 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 trustees on 13<sup>th</sup> January 2021 and signed on its behalf by:



Dr Tim Crayford

Trustee



Mr Jonathan Wilden

Accounting Officer

# Folio Education Trust

## Statement of Regularity, Propriety and Compliance

As accounting officer of Folio Education Trust I have considered my responsibility to notify the trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the trust board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

A handwritten signature in black ink, appearing to read 'Jonathan Wilden', with a horizontal line drawn underneath the name.

Mr Jonathan Wilden

Accounting Officer

13<sup>th</sup> January 2021

# Folio Education Trust

## Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual 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 trustees to prepare financial statements for each financial year. Under company law the trustees 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 trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently
- ◆ observe the methods and principles in the Charities SORP 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 13<sup>th</sup> January 2021 and signed on its behalf by:



Dr Tim Crayford

Trustee

# Folio Education Trust

## Independent Auditor's Report on the Financial Statements to the Members of Folio Education Trust

### Opinion

We have audited the financial statements of Folio Education Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the consolidated statement of financial activities, the group and Trust balance sheets, the consolidated statements of cash flows, the principal accounting policies and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP) and the Academies Accounts Direction 2018 to 2019.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the Trust's affairs as at 31 August 2020 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP and Academies Accounts Direction 2019 to 2020.

### 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

# Folio Education Trust

## Independent Auditor's Report on the Financial Statements to the Members of Folio Education Trust (continued)

### Conclusions relating to going concern

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

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

### Other information

The Trustees 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. 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

# Folio Education Trust

## Independent Auditor's Report on the Financial Statements to the Members of Folio Education Trust (continued)

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 by the Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the Trust financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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 Trustees 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 Trustees are responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

# Folio Education Trust

## Independent Auditor's Report on the Financial Statements to the Members of Folio Education Trust (continued)

### 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Trust'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 Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)

22 January 2021

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

# Folio Education Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Folio Education Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 31 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Folio Education Trust during the period from 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 Folio Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Folio Education Trust and the 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 Folio Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Folio Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Folio Education Trust's funding agreement dated December 2014 with the Secretary of State for Education 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 period from 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 the 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.

# Folio Education Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Folio Education Trust and the Education Funding Agency (continued)

### Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 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.



Reporting Accountant  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

22 January 2021

# Folio Education Trust

## Consolidated Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	171	17	290	478	1,597
Charitable activities:						
Funding for the Trust's educational operations	3	632	12,466	-	13,098	11,497
Other trading activities	4	185	4	-	189	209
Investments	5	1	-	-	1	1
<b>Total</b>		<b>989</b>	<b>12,487</b>	<b>290</b>	<b>13,766</b>	<b>13,304</b>
<b>Expenditure on:</b>						
Raising funds	6	27	-	-	27	29
Charitable activities:						
Academy trust educational operations	6,7	701	13,127	531	14,359	12,757
Other		21	-	-	21	43
<b>Total Expenditure</b>		<b>749</b>	<b>13,127</b>	<b>531</b>	<b>14,407</b>	<b>12,829</b>
<b>Net income / (expenditure) before transfers</b>		<b>240</b>	<b>(640)</b>	<b>(241)</b>	<b>(641)</b>	<b>475</b>
<b>Transfers between funds</b>	17	<b>4</b>	<b>(44)</b>	<b>40</b>	<b>-</b>	<b>-</b>
<b>Net Income/(Expenditure)</b>		<b>244</b>	<b>(684)</b>	<b>(201)</b>	<b>(641)</b>	<b>475</b>
<b>Other recognised (losses) /gains:</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17,26	-	(975)	-	(975)	(942)
<b>Net movement in funds</b>		<b>244</b>	<b>(1,659)</b>	<b>(201)</b>	<b>(1,616)</b>	<b>(467)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		256	(3,904)	28,043	24,395	24,863
<b>Total funds carried forward</b>		<b>500</b>	<b>(5,563)</b>	<b>27,842</b>	<b>22,779</b>	<b>24,396</b>

# Folio Education Trust

## Consolidated Group and Trust Balance Sheets as at 31 August 2020

Company Number 07627302

		Consolidated 2020 £000	Trust 2020 £000	Consolidated 2019 £000	Trust 2019 £000
	Notes				
<b>Fixed assets</b>					
Intangible assets	12	8	8	12	12
Tangible assets	13	27,827	27,827	28,003	28,003
		<u>27,835</u>	<u>27,835</u>	<u>28,015</u>	<u>28,015</u>
<b>Current assets</b>					
Stock	14	10	10	12	12
Debtors	15	1,009	1,021	762	784
Cash at bank and in hand		1,673	1,653	1,465	1,443
		<u>2,692</u>	<u>2,684</u>	<u>2,239</u>	<u>2,239</u>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	(2,083)	(2,075)	(1,914)	(1,914)
<b>Net current assets</b>		<u>609</u>	<u>609</u>	<u>325</u>	<u>325</u>
<b>Net assets excluding pension liability</b>		<u>28,444</u>	<u>28,444</u>	<u>28,340</u>	<u>28,340</u>
Defined benefit pension scheme liability	26	(5,665)	(5,665)	(3,944)	(3,944)
<b>Total assets</b>		<u>22,779</u>	<u>22,779</u>	<u>24,396</u>	<u>24,396</u>
<b>Funds of the trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	17	27,842	27,842	28,044	28,044
. Restricted income fund	17	102	102	40	40
. Pension reserve	17	(5,665)	(5,665)	(3,944)	(3,944)
<b>Total restricted funds</b>		<u>22,279</u>	<u>22,279</u>	<u>24,140</u>	<u>24,140</u>
<b>Unrestricted income funds</b>	17	500	500	256	256
<b>Total funds</b>		<u>22,779</u>	<u>22,779</u>	<u>24,396</u>	<u>24,396</u>

The financial statements on pages 39-41 were approved by the trustees, and authorised for issue on 13th January 2021 and are signed on their behalf by:



**Dr Tim Crayford**  
Trustee

# Folio Education Trust

## Consolidated Statement of Cash Flows for the year ended 31 August 2020

	Notes	<b>2020</b> <b>£000</b>	2019 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	<b>268</b>	(123)
<b>Cash flows from investing activities</b>	22	<b>(60)</b>	(579)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>208</b>	<b>(702)</b>
<b>Cash and cash equivalents at 1 September 2019</b>		<b>1,465</b>	2,171
<b>Cash and cash equivalents at the 31 August 2020</b>	23	<b>1,673</b>	1,465

# Folio Education Trust

## Notes to the Financial Statements for the period ended 31 August 2020

### 1 Statement of Accounting Policies

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

#### Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Folio Trust meets the definition of a public benefit entity under FRS 102.

#### Basis of Consolidation

The Consolidated Statement of Financial Activities and Group Balance Sheet consolidate the financial statements of the Trust and its subsidiary company made up at the balance sheet date.

No separate Statement of Financial Activities has been presented for Folio Education Trust alone, as permitted by Section 408 of the Companies Act 2006 and Charities SORP 2019 (2nd edition).

#### Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The Trustees have given consideration to the effects of the COVID - 19 pandemic when making their going concern assessment.

# Folio Education Trust

## Notes to the Financial Statements for the period ended 31 August 2020

### Income

All income is recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

# Folio Education Trust

## Notes to the Financial Statements for the period ended 31 August 2020

### 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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All expenditure is stated exclusive of VAT.

### Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software **20% per annum**

# Folio Education Trust

## Notes to the Financial Statements for the period ended 31 August 2020

### Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 fixed asset fund.

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

- Freehold buildings 2% per annum
- Leasehold Buildings Over the term of the lease
- Fixtures, fittings and equipment 20% per annum
- ICT hardware 33% per annum
- Motor Vehicles 25% per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Where an asset comprises of two or more components which have substantially different lives, each component is depreciated separately over its useful economic life.

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.

# Folio Education Trust

## Notes to the Financial Statements for the period ended 31 August 2020

### Liabilities

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

### Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

### Leased Assets

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

### Stock

Unsold catering stocks are valued at the lower of cost or net realisable value.

### 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.

# Folio Education Trust

## Notes to the Financial Statements for the period ended 31 August 2020

### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 schemes' assets, calculated by multiplying the fair value of the schemes' assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the schemes' assets and the actual return on the schemes' assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

# Folio Education Trust

## Notes to the Financial Statements for the period ended 31 August 2020

### **Fund Accounting**

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

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

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

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

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

#### *Critical accounting estimates and assumptions*

The 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 (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 pensions 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.

## Folio Education Trust

### Notes to the Financial Statements for the year ended 31 August 2020 (continued)

#### 2 Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
	£000	£000	£000	£000
Capital Grants	-	-	290	290
Donations	171	17	-	188
	<u>171</u>	<u>17</u>	<u>290</u>	<u>478</u>

	<i>Unrestricted Funds</i>	<i>Restricted General Funds</i>	<i>Restricted Fixed Asset Funds</i>	<i>Total 2019</i>
	£000	£000	£000	£000
Capital Grants	-	-	1,234	1,234
Donations	187	26	150	363
	<u>187</u>	<u>26</u>	<u>1,384</u>	<u>1,597</u>

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 3 Funding for the Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2020
	£000	£000	£000
<b>DfE / ESFA grants</b>			
. General Annual Grant (GAG)	-	10,336	<b>10,336</b>
. Other DfE/ESFA grants	-	1,475	<b>1,475</b>
	<u>-</u>	<u>11,811</u>	<u><b>11,811</b></u>
<b>Other Government grants</b>			
Other Government grants	-	274	<b>274</b>
Other income from the Trust's educational operations	632	318	<b>950</b>
<b>Exceptional Government funding</b>			
Coronavirus Job Retention Scheme grant	-	63	<b>63</b>
	<u>632</u>	<u>12,466</u>	<u><b>13,098</b></u>

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total 2019</i>
	£000	£000	£000
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	-	9,251	9,251
. Other DfE/ESFA grants	-	742	742
	<u>-</u>	<u>9,993</u>	<u>9,993</u>
<i>Other Government grants</i>			
Other Government grants		196	196
Other income from the Trust's educational operations	932	376	1,308
	<u>932</u>	<u>10,565</u>	<u>11,497</u>

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

The trust furloughed some of its catering and extended services staff under the government's CJRS. The funding received of £63k relates to staff costs in respect of 32 staff which are included within note 8 below as appropriate.

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**4 Other Trading activities**

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Total 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Hire of facilities	37	-	37
Contract Catering	72	-	72
Education Welfare Services	20	-	20
Staff Consultancy	42	-	42
Other	14	4	18
	<u>185</u>	<u>4</u>	<u>189</u>

	<i>Unrestricted Funds</i>	<i>Restricted General Funds</i>	<i>Total 2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Hire of facilities</i>	47	-	47
<i>Sale of Sports Kit</i>	23	-	23
<i>Contract Catering</i>	88	-	88
<i>Education Welfare Services</i>	16	-	16
<i>Staff Consultancy</i>	22	-	22
<i>Other</i>	13	-	13
	<u>209</u>	<u>-</u>	<u>209</u>

**5 Investment income**

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Total 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank Interest	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

	<i>Unrestricted Funds</i>	<i>Restricted General Funds</i>	<i>Total 2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Bank Interest</i>	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 6 Expenditure

	Staff Costs (Note 8) £000	Non Pay Expenditure Premises £000	Other £000	Total 2020 £000
Expenditure on raising funds	-	-	27	27
Trust's educational operations:				
. Direct costs	9,446	-	1,188	10,634
. Allocated support costs	2,027	1,219	479	3,725
	<b>11,473</b>	<b>1,219</b>	<b>1,694</b>	<b>14,386</b>

	Staff Costs (Note 8) £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000
Expenditure on raising funds	-	-	29	29
Trust's educational operations:				
. Direct costs	8,035	-	1,410	9,445
. Allocated support costs	1,736	1,127	449	3,312
	<b>9,771</b>	<b>1,127</b>	<b>1,888</b>	<b>12,786</b>

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	51	75
Depreciation	527	276
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	4	1
Fees payable to auditor for:		
- statutory audit	20	19
- other services	7	3

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**7 Charitable Activities**

	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Direct costs – educational operations</b>	<b>10,634</b>	9,445
<b>Support costs – educational operations</b>	<b>3,725</b>	3,312
	<b>14,359</b>	<b>12,757</b>

<b>Analysis of Direct Costs</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Restricted Fixed</b>	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Asset Funds</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Staff Costs	392	9,055	-	<b>9,447</b>	8,035
Educational Supplies and Services	-	511	-	<b>511</b>	523
Examination Fees	-	138	-	<b>138</b>	159
Catering	300	-	-	<b>300</b>	407
School Trips	-	137	-	<b>137</b>	193
Other Direct Costs	-	101	-	<b>101</b>	128
<b>Total direct costs</b>	<b>692</b>	<b>9,942</b>	<b>-</b>	<b>10,634</b>	<b>9,445</b>

**Analysis of support costs**

	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Support staff costs	-	2,027	-	<b>2,027</b>	1,736
Depreciation and amortisation	-	-	531	<b>531</b>	451
Technology costs	-	127	-	<b>127</b>	110
Premises costs	-	688	-	<b>688</b>	676
Legal Fees	-	11	-	<b>11</b>	6
Other support costs	9	332	-	<b>341</b>	333
<b>Total support costs</b>	<b>9</b>	<b>3,185</b>	<b>531</b>	<b>3,725</b>	<b>3,312</b>

<b>Total</b>	<b>701</b>	<b>13,127</b>	<b>531</b>	<b>14,359</b>	<b>12,757</b>
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2019 Total	748	11,558	451	12,757	
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# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 8 Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2020 £000	Total 2019 £000
Wages and salaries	8,920	7,348
Social security costs	826	719
Operating costs of defined benefit pension schemes	1,696	1,680
	<b>11,442</b>	<b>9,747</b>
Agency staff costs	31	22
Severance Payments	-	2
	<b>11,473</b>	<b>9,771</b>

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

No non-statutory/non-contractual severance payments are included (2019: £2,000).

#### c. Staff numbers

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

	2020 No.	2019 No.
Teachers	139	121
Administration and support	177	158
Management	3	2
	<b>319</b>	<b>281</b>

#### d Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	5	3
£70,001 - £80,000	3	2
£80,001 - £90,000	3	1
£120,001 - £130,000	1	1

Aggregate pension scheme costs for higher paid employees were £180,000 (2019:£96,000)

#### e Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £868,000 (2019: £711,000).

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 9 Central Services

The trust has provided the following central services to its schools during the year:

- \* Human resources
- \* Financial Services
- \* Legal Services
- \* Educational Support Services
- \* Others as arising

The Trust charges for these services on the following basis:

Any costs that can be attributed directly to individual academies are charged to these schools. Any remaining balance is allocated on the basis of the individual schools GAG & Other Government Grant Revenue as a percentage of the Total Trust GAG & Other Government Grant Revenue. The overall aim of the Trust is to achieve a target of 4-8% for each Academy within the Trust.

	<b>2020</b>	2019
	<b>£000</b>	£000
The actual amounts charged during the year were:		
Wallington County Grammar School	<b>461</b>	457
Park Hill Junior School	<b>115</b>	98
St Peters Primary School	<b>128</b>	117
Coombe Wood School	<b>503</b>	256
Croydon School Sports Partnership	<b>15</b>	
	<b>1222</b>	928

# **Folio Education Trust**

## **Notes to the Financial Statements for the year ended**

### **31 August 2020 (continued)**

#### **10 Related Party Transactions - Trustees' Remuneration and Expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Headteacher only receives remuneration in respect of services he provides undertaking the role of Executive Headteacher under his contract of employment.

The value of Executive Headteacher's remuneration and other benefits was as follows:

J Wilden (Executive Headteacher and trustee)

- . Remuneration £125,000-£130,000 (2019: £120,000 - £125,000)
- . Employer's pension contributions paid £30,000-£35,000 (2019: £20,000 - £25,000)

#### **11 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees 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.

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**12 Intangible Fixed Assets**

	<b>Computer Software</b>	<b>Total</b>
<b>Cost</b>	£000	£000
At 1 September 2019	20	20
Additions	-	-
At 31 August 2020	<u>20</u>	<u>20</u>
<b>Amortisation</b>		
At 1 September 2019	8	8
Charged in year	<u>4</u>	<u>4</u>
At 31 August 2020	<u>12</u>	<u>12</u>
<b>Carrying amount</b>		
At 31 August 2019	12	12
At 31 August 2020	<u>8</u>	<u>8</u>

**13 Tangible Fixed Assets**

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer equipment	Assets under Construction	Motor Vehicles	<b>Total</b>
	£000	£000	£000	£000	£000	£000	£000
<b>Cost/Valuation</b>							
At 1 September 2019	25,537	2,698	881	349	178	29	29,672
Additions	9	-	194	148	-	-	351
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
At 31 August 2020	<u>25,546</u>	<u>2,698</u>	<u>1,075</u>	<u>497</u>	<u>178</u>	<u>29</u>	<u>30,023</u>
<b>Depreciation</b>							
At 1 September 2019	960	46	497	137	-	29	1,669
Charged in year	260	21	121	125	-	-	527
At 31 August 2020	<u>1,220</u>	<u>67</u>	<u>618</u>	<u>262</u>	<u>-</u>	<u>29</u>	<u>2,196</u>
<b>Net book values</b>							
At 31 August 2019	24,577	2,652	384	212	178	-	28,003
At 31 August 2020	<u>24,326</u>	<u>2,631</u>	<u>457</u>	<u>235</u>	<u>178</u>	<u>-</u>	<u>27,827</u>

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**14 Stock**

	<b>2020</b>	2019
	<b>£000</b>	£000
Catering	<b>10</b>	12
	<b>10</b>	12

**15 Debtors**

	<b>Group</b>		<b>Trust</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£000</b>	£000	<b>£000</b>	£000
Trade debtors	<b>154</b>	133	<b>156</b>	125
VAT recoverable	<b>102</b>	95	<b>101</b>	102
Amounts due from subsidiary undertakings	-	-	<b>11</b>	23
Other debtors	<b>24</b>	25	<b>24</b>	25
Prepayments and accrued income	<b>729</b>	509	<b>729</b>	509
	<b>1,009</b>	762	<b>1,021</b>	784

**16 Creditors: Amounts Falling due within one year**

	<b>Group</b>		<b>Trust</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£000</b>	£000	<b>£000</b>	£000
Trade creditors	<b>284</b>	134	<b>284</b>	134
Other taxation and social security	<b>402</b>	305	<b>402</b>	305
EFA creditor: abatement of GAG				
Other creditors	<b>886</b>	875	<b>886</b>	875
Accruals and deferred income	<b>511</b>	600	<b>503</b>	600
	<b>2,083</b>	1,914	<b>2,075</b>	1,914

<b>Deferred income (Included above)</b>	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£000</b>	£000	<b>£000</b>	£000
Deferred income at 1 September 2019	<b>175</b>	126	<b>126</b>	126
Released from previous years	<b>(175)</b>	(126)	<b>(126)</b>	(126)
Resources deferred in the year	<b>250</b>	175	<b>175</b>	175
Deferred Income at 31 August 2020	<b>250</b>	175	<b>175</b>	175

Deferred income relates to projects and trips that will take place in the following year as well as rental income received in advance.

**FOLIO EDUCATION TRUST**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**17 Funds**

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	6	10,336	(10,451)	158	49
Other Restricted Funds (See below)	34	2,151	(1,930)	(202)	53
Pension reserve	(3,944)	-	(746)	(975)	(5,665)
	<u>(3,904)</u>	<u>12,487</u>	<u>(13,127)</u>	<u>(1,019)</u>	<u>(5,563)</u>
Restricted fixed asset funds	26,144		(220)		25,924
DfE/EFA capital grants	1,900	179	(256)	40	1,862
Other Capital Funds	-	111	(55)		56
Restricted fixed asset funds	<u>28,044</u>	<u>290</u>	<u>(531)</u>	<u>40</u>	<u>27,842</u>
<b>Total restricted funds</b>	<u><b>24,140</b></u>	<u><b>12,777</b></u>	<u><b>(13,658)</b></u>	<u><b>(979)</b></u>	<u><b>22,279</b></u>
<b>Total unrestricted funds</b>	<u><b>256</b></u>	<u><b>989</b></u>	<u><b>(749)</b></u>	<u><b>4</b></u>	<u><b>500</b></u>
<b>Total funds</b>	<u><b>24,396</b></u>	<u><b>13,766</b></u>	<u><b>(14,407)</b></u>	<u><b>(975)</b></u>	<u><b>22,779</b></u>

The specific purposes for which the restricted funds are to be applied are as follows:	£000
Central Trust funds	(124)
Funds held in trust	5
Funds to be used to purchase educational equipment	4
Funds used to run the Croydon School Sports Partnership	114
GAG	49
Other Grants	42
Other	12
	<u>102</u>

Net transfers from unrestricted to restricted funds relate to amounts used from unrestricted funds to cover the operational costs of the Trust which are not covered by funding income.

**Analysis of academies by fund balance**

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Wallington County Grammar School	189	125
Park Hill Junior School	122	31
St Peters Primary School	109	127
Croydon Schools Sports Partnership	114	126
Coombe Wood School	6	5
Central services	62	(118)
Total before fixed assets and pension reserve	<u>602</u>	296
Restricted fixed asset fund	27,842	28,044
Pension reserve	(5,665)	(3,944)
<b>Total</b>	<u><b>22,779</b></u>	<u><b>24,396</b></u>

**FOLIO EDUCATION TRUST**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

17 Funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	9,251	(9,635)	390	6
Other Restricted Funds	116	1,343	(1,424)	(1)	34
Pension reserve	(2,493)	-	(509)	(942)	(3,944)
	<b>(2,377)</b>	<b>10,594</b>	<b>(11,568)</b>	<b>(553)</b>	<b>(3,904)</b>
Restricted fixed asset funds	26,144				26,144
DfE/EFA capital grants	897	1,208	(451)	246	1,900
Capital Expenditure from other funds	23	176	-	(199)	-
	<b>27,064</b>	<b>1,384</b>	<b>(451)</b>	<b>47</b>	<b>28,044</b>
<b>Total restricted funds</b>	<b>24,687</b>	<b>11,978</b>	<b>(12,019)</b>	<b>(506)</b>	<b>24,140</b>
<b>Total unrestricted funds</b>	<b>176</b>	<b>1,326</b>	<b>(810)</b>	<b>(436)</b>	<b>256</b>
<b>Total funds</b>	<b>24,863</b>	<b>13,304</b>	<b>(12,829)</b>	<b>(942)</b>	<b>24,396</b>

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**18 Analysis of Net Assets between Funds**

Fund balances at 31 August 2020 are represented by:

<b>Group</b>	<b>Unrestricted Funds</b>	<b>Restricted</b>	<b>Fixed Asset</b>	<b>Total Funds</b>
		<b>General Funds</b>	<b>Funds</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Intangible fixed assets	-	-	8	8
Tangible fixed assets	-	-	27,827	27,827
Current Assets	2,583	102	7	2,692
Current Liabilities	(2,083)	-	-	(2,083)
Pension scheme liability	-	(5,665)	-	(5,665)
<b>Total net assets</b>	<b>500</b>	<b>(5,563)</b>	<b>27,842</b>	<b>22,779</b>

<b>Trust</b>	<b>Unrestricted Funds</b>	<b>Restricted</b>	<b>Fixed Asset</b>	<b>Total Funds</b>
		<b>General Funds</b>	<b>Funds</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Intangible fixed assets	-	-	8	8
Tangible fixed assets	-	-	27,827	27,827
Current assets	2,575	102	7	2,684
Current Liabilities	(2,075)	-	-	(2,075)
Pension scheme liability	-	(5,665)	-	(5,665)
<b>Total net assets</b>	<b>500</b>	<b>(5,563)</b>	<b>27,842</b>	<b>22,779</b>

Comparative information in respect of the preceeding period for the Group and the Trust is as follows:

<b>Group</b>	<b>Unrestricted Funds</b>	<b>Restricted</b>	<b>Fixed Asset</b>	<b>Total Funds</b>
		<b>General Funds</b>	<b>Funds</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Intangible fixed assets	-	-	12	12
Tangible fixed assets	-	-	28,003	28,003
Current Assets	2,170	40	29	2,239
Current Liabilities	(1,914)	-	-	(1,914)
Pension scheme liability	-	(3,944)	-	(3,944)
<b>Total net assets</b>	<b>256</b>	<b>(3,904)</b>	<b>28,044</b>	<b>24,396</b>

<b>Trust</b>	<b>Unrestricted Funds</b>	<b>Restricted</b>	<b>Fixed Asset</b>	<b>Total Funds</b>
		<b>General Funds</b>	<b>Funds</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Intangible fixed assets	-	-	12	12
Tangible fixed assets	-	-	28,003	28,003
Current assets	2,170	40	29	2,239
Current Liabilities	(1,914)	-	-	(1,914)
Pension scheme liability	-	(3,944)	-	(3,944)
<b>Total net assets</b>	<b>256</b>	<b>(3,904)</b>	<b>28,044</b>	<b>24,396</b>

## Folio Education Trust

### Notes to the Financial Statements for the year ended 31 August 2020 (continued)

#### 19 Capital Commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	489	-
Approved but not contracted for, and not provided for in the financial statements	-	489
	<u>489</u>	<u>489</u>

#### 20 Commitments under operating leases

##### Operating Leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	36	47
Amounts due between one and five years	26	39
	<u>62</u>	<u>86</u>

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

<b>21 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities</b>	<b>2020</b>	2019
	<b>£000</b>	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>(641)</b>	475
Adjusted for:		
Amortisation (note 12)	<b>4</b>	4
Depreciation charges (note 13)	<b>527</b>	447
Capital grants from DfE and other capital income	<b>(290)</b>	(1,384)
Fixed Assets transferred on conversion	-	-
Interest receivable (note 5)	<b>(1)</b>	(1)
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	<b>668</b>	440
Defined benefit pension scheme finance cost (note 26)	<b>78</b>	69
(Increase)/decrease in stocks	<b>2</b>	10
(Increase)/decrease in debtors	<b>(248)</b>	(202)
Increase/(decrease) in creditors	<b>169</b>	19
Repayments of borrowing	-	-
<b>Net cash provided by / (used in) Operating Activities</b>	<b>268</b>	(123)

<b>22 Cash Flows from Investing Activities</b>	<b>2020</b>	2019
	<b>£000</b>	£000
Dividends, interest and rents from investments	<b>1</b>	1
Purchase of tangible fixed assets	<b>(351)</b>	(1,964)
Capital grants from DfE/EFA	<b>290</b>	1,384
<b>Net cash provided by / (used in) investing activities</b>	<b>(60)</b>	(579)

<b>23 Analysis of changes in net debt</b>	At 31 August	Cash	At 31 August
	2019	flows	<b>2020</b>
		£000	<b>£000</b>
Cash in hand and at bank	1,465	208	<b>1,673</b>
<b>Total cash and cash equivalents</b>	<b>1465</b>	<b>208</b>	<b>1,673</b>

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**24 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.

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 25 Trading Subsidiary

The wholly owned trading subsidiary, Folio Services Ltd, is incorporated in the United Kingdom (company no 11387304) and pays all of its surpluses to the Trust under a deed of covenant. The company provides catering and education welfare services to schools outside of the Trust. The Trust owns the entire share capital of 1 ordinary share of £1. A summary of the trading results is shown below:

The summary financial performance of the subsidiary alone is:

	<b>2020</b>	2019
	<b>£000</b>	£000
Turnover	<b>92</b>	92
Administrative Expenses	<b>(87)</b>	(92)
<b>Profit on ordinary activities before taxation</b>	<b>5</b>	-
Gift aid donation to Folio Education Trust	<b>(5)</b>	-
<b>Profit on ordinary activities after taxation</b>	<b>-</b>	-

The assets and liabilities of the subsidiary were:

	<b>2020</b>	2019
	<b>£000</b>	£000
Current assets	<b>21</b>	31
Current liabilities	<b>(21)</b>	(31)
<b>Total net assets</b>	<b>-</b>	-

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 26 Pension and Similar Obligations

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

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

Contributions amounting to £146,742 were payable to the schemes at 31 August 2020 (2019: £138,235) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Academy Trust has set out above the information available on the plan and the implications for the Academy Trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

# **Folio Education Trust**

## **Notes to the Financial Statements for the period ended 31 August 2020 (continued)**

### **26 Pension and Similar Obligations (continued)**

The pension costs paid to TPS in the period amounted to £1,736,000 (2019: £1,163,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Trust 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.

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 26 Pension and Similar Obligations (continued)

#### Net LGPS Pension Liability

	London Borough of Sutton	London Borough of Croydon	Total	2019
Pension Liability as at 1 September 2019	(1,954)	(1,990)	<b>(3,944)</b>	(2,493)
Interest Payable	(35)	(43)	<b>(78)</b>	(69)
Administration Expenses	(2)	-	<b>(2)</b>	(2)
Service Cost	(320)	(885)	<b>(1,205)</b>	(955)
Actuarial Losses	261	-	<b>261</b>	0
Employer Contributions	186	353	<b>539</b>	557
Return on assets less interest	189	(58)	<b>131</b>	134
Change in financial assumptions	(241)	13	<b>(228)</b>	(1,076)
Experience gain/loss on defined benefit obligation	(1,139)	-	<b>(1,139)</b>	0
Past Service Costs	0	-	<b>0</b>	(40)
<b>Pension liability as at 31 August 2020</b>	<b>(3,055)</b>	<b>(2,610)</b>	<b>(5,665)</b>	(3,944)

#### Local Government Pension Scheme - London Borough of Sutton

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 £230,000 (2019: £223,000), of which employer's contributions totalled £186,000 (2019: £182,000) and employees' contributions totalled £44,000 (2019: £41,000)

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.

#### Principal Actuarial Assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	<b>3.30%</b>	3.70%
Rate of increase for pensions in payment/inflation	<b>2.30%</b>	2.20%
Discount rate for scheme liabilities	<b>1.60%</b>	1.85%

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 26 Pension and Similar Obligations (continued)

Sensitivity Analysis	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	6,285	6,420	6,558
Projected Service Cost	354	364	375
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	6,432	6,420	6,408
Projected Service Cost	364	364	364
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	6,546	6,420	6,297
Projected Service Cost	374	364	354
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	6,681	6,420	6,169
Projected Service Cost	378	364	350

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	23.4
Females	24.4	24.8
<i>Retiring in 20 years</i>		
Males	23.2	25.1
Females	25.9	26.7

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 26 Pension and Similar Obligations (continued)

The Trust's share of the assets in the scheme were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	1,935	1,615
Debt instruments	926	759
Property	410	317
Cash	94	1
<b>Total market value of assets</b>	<b>3,365</b>	<b>2,692</b>
<b>Less Liabilities</b>	<b>(6,419)</b>	<b>(4,645)</b>
<b>Net Pension Liability</b>	<b>(3,054)</b>	<b>(1,953)</b>

### Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Service Cost	320	305
Net Interest on defined liability	35	38
Administration Costs	2	2
	<b>357</b>	<b>345</b>

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

	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>4,645</b>	<b>3,902</b>
Current service cost	320	265
Interest cost	86	103
Changes in financial assumptions	413	616
Changes in demographical assumptions	(172)	(250)
Employee contributions	44	41
Expected gain/loss on defined pension obligations	1,139	-
Benefits paid	(56)	(71)
Past service costs	-	40
<b>At 31 August</b>	<b>6,419</b>	<b>4,645</b>

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 26 Pension and Similar Obligations (continued)

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

	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>2,692</b>	2,383
Interest income	51	65
Return on plan assets (excluding net interest on the net defined pension liability)	189	94
Actuarial gain/(loss)	261	-
Employer contributions	186	182
Employee contributions	44	41
Benefits paid	(56)	(71)
Administration Expenses	(2)	(2)
<b>At 31 August</b>	<b>3,365</b>	2,692

# Folio Education Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 26 Pension and Similar Obligations (continued)

#### Local Government Pension Scheme - London Borough of Croydon

Park Hill Junior School and St Peters Primary School joined the Trust on 1 April 2017 at which point the schools' portion of the deficit on the LGPS for the London Borough of Croydon was pooled and transferred to the Trust. Coombe Wood School opened on 1st September 2018.

The total contribution made for the year ended 31 August 2020 was £470,000 (2019: £494,000), of which employer's contributions totalled £353,000 (2019: £375,000) and employees' contributions totalled £117,000 (2019: £119,000).

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.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2020</b>	At 31 August 2019
Rate of increase in salaries	<b>2.20%</b>	2.80%
Rate of increase for pensions in payment/inflation	<b>2.20%</b>	2.30%
Discount rate for scheme liabilities	<b>1.90%</b>	1.90%
 <b>Sensitivity Analysis</b>	 <b>£000</b>	 £000
Adjustment to discount rate	15.00%	0.50%
Present value of total obligation	611	488
 Adjustment to long term salary increase	 1.00%	 0.50%
Present value of total obligation	30	29
 Adjustment to pension increases and deferred revaluation	 14.00%	 0.50%
Present value of total obligation	573	452

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

	<b>At 31 August 2020</b>	At 31 August 2019
<i>Retiring today</i>		
Males	<b>21.9</b>	22.3
Females	<b>23.9</b>	24.0
 <i>Retiring in 20 years</i>		
Males	<b>22.5</b>	24.4
Females	<b>25.3</b>	26.2

# Notes to the Financial Statements for the year ended 31 August 2020 (continued)

## 26 Pension and Similar Obligations (continued)

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	893	602
Debt instruments	307	223
Property	181	136
Cash	14	10
<b>Total market value of assets</b>	<b>1,395</b>	<b>971</b>
<b>Less Liabilities</b>	<b>(4,005)</b>	<b>(2,961)</b>
<b>Net Pension Liability</b>	<b>(2,610)</b>	<b>(1,990)</b>

### Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Service Cost	885	690
Current Service Cost	-	-
Net Interest on defined liability	43	50
Deficit transferred on conversion	-	-
	<b>928</b>	<b>740</b>

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

	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>2,961</b>	<b>1,392</b>
Current service cost	885	690
Interest cost	66	50
Changes in financial assumptions	(13)	710
Employee contributions	117	119
Benefits paid	(11)	-
<b>At 31 August</b>	<b>4,005</b>	<b>2,961</b>

**Folio Education Trust**  
**Notes to the Financial Statements for the year ended**  
**31 August 2020 (continued)**

**26 Pension and Similar Obligations (continued)**

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

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>At 1 September</b>	<b>971</b>	418
Interest income	<b>23</b>	19
Return on plan assets (excluding net interest on the net defined pension liability)	<b>(58)</b>	40
Employer contributions	<b>353</b>	375
Employee contributions	<b>117</b>	119
Estimated benefits paid	<b>(11)</b>	-
<b>At 31 August</b>	<b><u>1,395</u></b>	<b><u>971</u></b>

# **Folio Education Trust**

## **Notes to the Financial Statements for the year ended 31 August 2020 (continued)**

### **27 Related Party Transactions**

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

One Trustee made donations totalling £850 to the trust.

### **28 Agency Arrangements**

The Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £18,084 (2019: £19,285) and disbursed £9,771 (2019: £7,188).