

FOLIO EDUCATION TRUST

(A Company Limited by Guarantee)

Consolidated Annual Report and Financial Statements Year ended 31 August 2019

**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 Mr K. Plummer Mr J Diamond (Resigned 10 th April 2019) Mrs A Roderigues Mr A Inkester Dr T Crayford
Trustees	Mr P.Huitson, BA Mr J Wilden Dr T Crayford Mrs J Speller Mrs V John Mr D Herrick (Appointed 11 th July 2019) Ms R Fisher (Appointed 11 th July 2019) Ms H Latham (Appointed 11 th July 2019) Ms J Percival (Appointed 11 th July 2019)
Company Secretary	Mr R Baker, FCA
Senior Management Team:	
Chief Executive Officer	Mr J Wilden
Acting Executive Head Teacher	Miss Z Harris
Chief Financial Officer	Mr R Baker, FCA
Chief Operating Officer	Mr O Blackburn (Appointed 18 th March 2019)
Headmaster –Wallington County Grammar School	Mr J Bean
Acting Co-Heads - St Peters Primary School	Mrs C Barriball and Mrs S Sandle
Head Teacher – Park Hill Junior School	Mrs A Pratt (Appointed 1 st September 2018)
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 EducationTrust

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 2019. 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 first year of the company's operation, the overall surplus generated was £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

During 2018/2019 Folio Education Trust was in a process of increasing the number of Trustees. Ideally approximately eight make up the Trust Board of the Multi-Academy Trust .

Three 'Trustees' were appointed by the Members.

Up to four Academy Trustees are appointed by Trustees as Co-opted Trustees following a skills audit. Other 'Academy Trustees' are co-opted from within the Local Advisory Boards. One further Trustee was appointed as an ex-officio Trustee acting as Chief Executive Officer for the Trust.

When appointing 'Local Advisors' and 'Trustees' regard is given, so far as is possible, to the skills and professional backgrounds of the Advisors and Trustees. This is to ensure that all committees have all the necessary skills required to contribute fully to the Trust's development.

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 the Acting Executive Headteacher 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 Advisors' who visit the schools preceeding committee meetings to support and challenge the schools. This initiative ensures that Lead Advisors develop an area of expertise within school evaluation and are able to improve the level of accountability while making committee meetings more time efficient and targeted.

Local Advisory Board for Coombe Wood School – Lead Advisor roles

Lead Advisor for Leadership & Management
Lead Advisor for Outcomes of Pupils
Lead Advisor for Teaching, Learning and Assessment
Lead Advisor for Financial Management
Lead Advisor for Safeguarding and Child Protection
Lead Advisor for Health & Safety and Educational Visits
Lead Advisor for SEND and Disadvantaged Pupils

Local Advisory Board for Wallington County Grammar School – Lead Advisor roles

Lead Advisor for Leadership & Management
Lead Advisor for Outcomes of Pupils
Lead Advisor for Teaching, Learning and Assessment
Lead Advisor for Financial Management
Lead Advisor for Safeguarding and Child Protection
Lead Advisor for Health & Safety and Educational Visits
Lead Advisor for SEND and Disadvantaged Pupils

Local Advisory Board for Park Hill Junior School – Lead Advisor roles

Lead Advisor for Leadership & Management
Lead Advisor for Outcomes of Pupils
Lead Advisor for Teaching, Learning and Assessment
Lead Advisor for Financial Management
Lead Advisor for Safeguarding and Child Protection
Lead Advisor for Health & Safety and Educational Visits
Lead Advisor for SEND and Disadvantaged Pupils

Folio Education Trust

Trustees' Report (continued)

Local Advisory Board for St Peter's Primary School – Lead Advisor roles

Lead Advisor for Leadership & Management

Lead Advisor for Outcomes of Pupils

Lead Advisor for Teaching, Learning and Assessment

Lead Advisor for Financial Management

Lead Advisor for Safeguarding and Child Protection

Lead Advisor for Health & Safety and Educational Visits

Lead Advisor for SEND and Disadvantaged Pupils

Organisational Structure

The Multi-Academy Trust (MAT) known as Folio Education Trust appointed a Chief Executive Officer and Acting Executive Headteacher for Primary Education 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: (please note that CWS is a new school with only 180 Year 7 pupils during 2018/2019)

CWS -	Headteacher Assistant Headteacher x1 Senior Teacher x1
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 Teaching, Learning and Assessment and Outcomes of Pupils and LAB Resources which looks at Personal Development, Behaviour and Welfare of students and staff, Health and Safety 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. 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

Acting Executive Headteacher – Primary Education (Part Time)

Chief Operating Officer

Chief Finance 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.

Acting Executive Headteacher – Primary Education (Part Time)

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

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Trustees' Report (continued)

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.

Chief Finance 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 and Shared Services 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
5	4.78

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

Total cost of facility time	£2,200
Total Pay bill	£9,771,000
Percentage of pay bill spent o facility time	0.023%

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.74%
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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 2018/19 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 incurred related party transactions in the year with Mr J Diamond. Further details of these transactions are disclosed in note 27.

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.

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.

Folio Education Trust

Trustees' Report (continued)

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.

Strategic Report for schools within Folio Education Trust

Coombe Wood School (CWS) – New Free School opened in September 2018

School Development Plan (SDP) final Impact Statement from 2018/2019

The quality of teaching, learning and assessment across the school remained all good or outstanding throughout the academic year 2018/2019. The school is aware that they will be recruiting approximately 10 new teaching staff each year to cater for our increasing roll. CWS remains committed to an on-going focus on bespoke, targeted CPD for our teachers.

Outcomes for students: (Year 7 only)

There was a steady increase throughout the year in terms of % of students hitting target grade overall and in key focus groups. Pleasingly all three vulnerable groups who nationally perform at lower rates of progress than all other students are actually performing at a higher rate of progress than all other students at CWS.

The end of summer term progress has been RAG rated red because it has not hit the levels of 90% on or above target. There is always a story behind the data which we believe is rooted in the aspirational targets we are setting rather than an underperformance in progress from students:

- ◆ MidYIS target grades in 2018 2019 were set to the level that if achieved, CWS would see students in the top 25% of schools nationally for academic progress.
- ◆ The SDP KPIs for students achieving these aspirational target levels was then set at 90%.
- ◆ Monitoring of Learning and Teaching through observations demonstrates all lessons to be good or outstanding.
- ◆ Trained examiners in every department who understand GCSE requirements.
- ◆ Excellent progress with literacy and numeracy throughout the year group.

Other notable achievements linked to Health Schools status:

- ◆ Students who when surveyed said 'Like or strongly like exercise' 51% in Term 2 increased to 90% in Term 3.
- ◆ Students who when surveyed said they were 'Confident to exercise with peers' increased from 66.7% in Term 2 to 90% in Term 3.
- ◆ 122/180 students represented CWS at least once in a sporting fixture.

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Trustees' Report (continued)

CWS Development Priorities for 2019/2020

Priority One

- ◆ SEND, literacy, numeracy and metacognition programmes and procedures embedded into daily life at CWS. They offer a strong and clear support structure, which significantly boosts students' academic progress and self-confidence.

Priority Two

- ◆ The House system, Student Council and extra-curricular offer and rewards schemes at CWS provide an outstanding foundation upon which all students are able to develop into rounded young adults who display the CWS core values of **TEAMWORK RESPECT ENJOYMENT DISCIPLINE SPORTSMANSHIP** at all times.

Priority Three

- ◆ The daily work of all staff to embed positive behaviours and attitudes through our core values, coupled with the work of the Youth Travel Ambassadors through the TFL Travel Stars Scheme is an outstanding feature of CWS. It ensures that all students are empowered to know how to act in such a way as to keep themselves healthy and safe when travelling to and from school or whilst on educational visits.

Priority Four

- ◆ The continuing professional development (CPD) of all staff is constantly in the spotlight at CWS. Regular analysis and dialogues with line managers review areas of strength / weakness and training is put in place quickly and with positive effect where a need exists. There is an open, positive culture around CPD throughout the school and it provides staff with a bespoke training programme individual to their needs.

Folio Education Trust

Trustees' Report (continued)

Wallington County Grammar School (WCGS)

School Development Plan (SDP) final Impact Statement from 2018/2019

- ◆ At present the situation is a pleasing one with 95% of all Teaching and Learning judged to be a strong 'good' or 'outstanding'. Members of the Learning Strategy Team are working alongside Senior Line Managers to provide bespoke support to teachers where necessary.
- ◆ Value added for all year groups in Y7-Y11 is particularly pleasing and we believe we are in the top 1% of schools in the country for progress⁸ at GCSE which is superb. Students with SEND will be in the top 4% which is also excellent.
- ◆ Progress at A Level was at the national average (50th %ile). This is despite lower than anticipated performance in maths, which is in its first year of a new specification, and in the sciences which have been afflicted by significant staffing issues.
- ◆ Destinations are very pleasing and demonstrate that the vast majority of students are going on to highly academic universities for further study, the majority being top 20 organisations. Oxbridge uptake is still worrying low and will be part of a key strategic driver next year.
- ◆ Pastoral indicators remain very healthy and a complete overhaul of pastoral data mean that these statistics are now more accurate than ever. Staff and students should be celebrated for such high attendance. Co-curricular participation scores will improve this year with timetabled clubs and societies.
- ◆ External views of the school remain very healthy and the calibre of students applying to the school this year was exceptional.

WCGS Development Priorities for 2019/2020

Priority One

- ◆ To develop a curriculum that has clear and thoughtful answers to the following questions: Why are you teaching that? Why there? How does it link to other parts of the curriculum?
- ◆ To develop teaching strategies to support students in the acquisition, retention and retrieval of subject knowledge.

Priority Two

- ◆ To enhance students' commitment and creativity through a programme of staff led clubs and societies delivered as part of a new school day.

Priority Three

- ◆ To ensure staff and student wellbeing.

Priority Four

- A new Chair of Governors is leading the Local Advisory Board in providing effective challenge based on the new Ofsted Framework.

Folio Education Trust

Trustees' Report (continued)

St Peter's Primary School (SPPS)

St Peter's Primary School have just undergone their first Ofsted inspection since joining Folio Education Trust. This was a two day inspection, completed under a new framework that places a much greater emphasis on the intent, implication and impact of the curriculum. Documents including the SEF summary, School Development Plan, PPG strategy and sports reports had all been established for the 2019-20 academic year, placing senior leaders in a strong position to be able to articulate the journey that the school has been on and to explain with confidence and conviction the next steps that need to be taken.

The inspector acknowledged the steep journey that the school had been on over the last 18 months and the rapid pace of change, highlighting the positive relationship between the new leadership and the Trust. He also noted the 'good will' within the school community. He reported high expectations of behaviour and saw 'no negative behaviour in any classroom.' The new values system was praised and said to be working well. The inspector said that staff felt well supported by the new leadership team. He referred to the 'emotional intelligence and honesty' of the leadership team, which had allowed the school to grow and go from strength to strength. He emphasised how the additional leadership capacity provided by the Trust had worked well, providing a positive framework for further school improvement.

The inspector noted early reading as being a strength of the school and could see the improvements made in Writing. The inspector agreed with the school on its areas of school improvement, emphasising the significant progress and attainment gap between disadvantaged pupils and others. The priorities for improvement are likely to be around:

- ◆ Continuing to improve outcomes in Writing.
- ◆ Narrowing the progress gap between Disadvantaged learners and others.
- ◆ Building on the reading strength in KS1 so that there are no more dips at the end of KS2.
- ◆ Refining the wider curriculum and the sequencing of learning.

Attainment and Progress during 2018/2019

Overall, the data below shows that attainment has improved in the majority of areas when compared to 2018, although it remains below the National Average in Reading and Writing. Progress measures have improved in Writing and Maths when compared to 2018, but declined in Reading due to the lower percentage of children achieving the Expected Standard. The key issues emerging from the data include the significant gap (in progress and attainment) between disadvantaged learners and other pupils, Writing in general and the dip in Reading, which analysis suggests was cohort specific.

Folio Education Trust

Trustees' Report (continued)

KS2 % (59 children in total)	2019 NA	2017 St Peter's	2018 St Peter's	2019 St Peter's *	Difference from 2018 results	Difference from 2019 NA
RWM EXS	65	50	54	59	+ 5	- 6
RWM GD	10.5	7	5	8	+ 3	- 2
Reading EXS	73	67	77	64	- 13	- 9
Reading GD	27	27	17	27	+10	0
Writing EXS	78	58	60	73	+13	- 5
Writing GD	20	12	8	15	+ 7	- 5
Maths EXS	79	65	70	85	+ 15	+6
Maths GD	27	17	28	27	-1	0
GPS EXS	78	67	77	83	+ 6	+5
GPS GD		19	45	32	- 13	

Progress in reading

	2017	2018	2019
Number of pupils	57	54	47
Pupils with adjusted scores	N/A	0	1
School progress score	1.04	1.62	-0.42
Confidence interval	N/A	0.0 to 3.2	-2.2 to 1.3
Progress banding	Average	Average	Average
Local authority average	0.24	0.68	0.80
National average	0.00	0.03	0.03

Progress in writing

	2017	2018	2019
Number of pupils	57	54	49
Pupils with adjusted scores	N/A	2	2
School progress score	-2.04	-3.11	-1.23
Confidence interval	N/A	-4.6 to -1.6	-2.8 to 0.4
Progress banding	Below average	Well below average	Average
Local authority average	0.25	0.57	0.65
National average	0.00	0.03	0.03

Progress in maths

	2017	2018	2019
Number of pupils	57	54	47
Pupils with adjusted scores	N/A	0	0
School progress score	-0.94	0.70	1.10
Confidence interval	N/A	-3.7 to 2.1	-0.4 to 2.6
Progress banding	Average	Average	Average
Local authority average	0.83	1.07	0.90
National average	0.00	0.03	0.03

Folio Education Trust

Trustees' Report (continued)

SPPS Development Priorities for 2019/2020

Priority One:

To continue to improve the quality of teaching and learning across the school.

Priority Two:

To continue to improve outcomes for all children in writing with a particular focus on underachieving groups.

Priority Three:

To further improve the number of children achieving RWM combined at KS2

Priority Four:

To ensure that the gap between **disadvantaged** and other pupils is narrowed.

Priority Five:

To further develop leadership across the school with a particular focus on the role of subject leaders.

Priority Six:

To review the curriculum ensuring it gives breadth, balance and the progression of skills.

Folio Education Trust

Trustees' Report (continued)

Park Hill Junior School (PHJS)

Park Hill Junior School are ready for a visit from Ofsted during 2019/2020 - likely to take place before the end of the spring term 2020. A robust and meticulous analysis of data has taken place to identify strengths and areas for improvement. They will be in a strong position when they do get the Ofsted call.

Attainment and Progress during 2018/2019

Attainment is above the National Average in all areas, with progress in Reading and Maths above average at the end of KS2 and average in Writing. There has been a significant improvement in Writing progress when compared to 2018 - from well below average to average. Progress for disadvantaged pupils has improved in all areas. The gap between this group and other children is now negligible in Reading and Maths and positive for Writing.

KS2 % (90 children in total)	2019 NA	2017 Park Hill	2018 Park Hill	2019 Park Hill*	Difference from 2018 results	Difference from 2019 NA
RWM EXS	65	71	72	80	+8	+15
RWM GD	10.5	25	20	24	+4	+ 13.5
Reading EXS	73	80	85	83	-2	+10
Reading GD	27	53	45	51	+6	+24
Writing EXS	78	73	75	86	+11	+8
Writing GD	20	28	23	29	+6	+9
Maths EXS	79	79	88	91	+3	+12
Maths GD	27	51	55	50	-5	+23
GPS EXS	78	78	86	86	0	+8
GPS GD		56	59	56	-3	

Folio Education Trust

Trustees' Report (continued)

Progress in reading

	2017	2018	2019
Number of pupils	71	74	83
Pupils with adjusted scores	N/A	0	1
School progress score	1.87	0.99	1.65
Confidence interval	N/A	-0.4 to 2.4	0.2 to 2.9
Progress banding	Above average	Average	Above average
Local authority average	0.24	0.68	0.80
National average	0.00	0.03	0.03

Progress in maths

	2017	2018	2019
Number of pupils	71	74	83
Pupils with adjusted scores	N/A	0	1
School progress score	1.19	2.43	1.78
Confidence interval	N/A	1.2 to 3.6	0.6 to 2.9
Progress banding	Average	Above average	Above average
Local authority average	0.83	1.07	0.90
National average	0.00	0.03	0.03

Progress in writing

	2017	2018	2019
Number of pupils	71	74	83
Pupils with adjusted scores	N/A	6	1
School progress score	-1.29	-3.16	-0.71
Confidence interval	N/A	-4.5 to -1.9	-1.9 to 0.5
Progress banding	Average	Well below average	Average
Local authority average	0.25	0.57	0.65
National average	0.00	0.03	0.03

PHJS Development Priorities for 2019/2020

Priority One:

To collaborate with other schools on raising standards in writing outcomes for all groups of pupils.

Priority Two:

To review our school's curriculum giving specific focus on intent, implementation and impact whilst ensuring our reading curriculum facilitates improved outcomes for all groups of pupils.

Priority Three:

To ensure our provision for SEND and DA pupils enable them make the expected progress whilst reviewing SEND assessment.

Priority Four:

To ensure that all stakeholders know how the reviewed curriculum meets the needs of our pupils

Folio Education Trust

Trustees' Report (continued)

Priority Five:

To review our behaviour policy & systems for a consistent approach to pupils' behaviour, personal development and attitudes to learning.

Priority Six:

To ensure Maths outcomes for SEND, DA pupils across the school improves from fluency to reasoning within 'mastery', leading to better progress in knowing more and remembering more and applying this knowledge in all areas of the curriculum.

Priority Seven:

To improve our partnership with parents especially when communicating our expectations and ethos.

Folio Education Trust

Trustees' Report (continued)

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.

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, 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.

In accordance with the Charities SORP 2015, grants and donations received for specific purposes are shown in the SOFA as restricted funds.

Expenditure for the year was not completely covered by grants from the DfE, and the Academy Trust has used £436,000 of unrestricted funds to supplement this income.

Fixed Assets purchased in the year have been funded by capital grants and donations received of £1,384,000. At 31 August 2019, 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 commission 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 valuation to Land and Buildings of Wallington County Grammar School, Park Hill Junior School and St Peters 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 2019 of £24.4m which consisted of £28m being the value of Fixed Assets, £40,000 of general restricted funds, £256,000 of Unrestricted Reserves and the deficit on the defined benefit pension schemes of £3,944,000. 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 Director of Finance and Shared Services 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 2019 of £3,944,000, compared to a deficit at 31st August 2018 of £2,493,000.

The Trust has Other Restricted Reserves of £40,000. The purpose of these reserves is disclosed in Note 17.

The Trust has Unrestricted Reserves of £256,000. Net Unrestricted Income was £516,000 of which £436,000 was transferred to Restricted Reserves to cover running costs. 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 2019 are £1,387,000.

Folio Education Trust

Trustees' Report (continued)

The Board is acutely aware that the total reserves available to the Trust at the end of the year are somewhat below the level of 5-8% of GAG & Other Government Grant Revenue that has been set in the reserves policy. The current budget expectation is that reserves will approach the lower level of our aim by the end of the current academic year 2019/20, and this has been achieved by significant cost savings in the primary schools and an increasingly stable model at our new Free School. The three year plan submitted in the last budget cycle indicated that Trust reserves would approach 7% by the end of 2021/22 and further validation of this assumption has been carried out recently, in light of clearer revenue indications for 2020/21 and beyond.

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 & 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.

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 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.

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 St Peters Primary School, which works to improve PE and school sport within the London Borough of Croydon. At the 31st August 2019 funds held amounted to £126,000.

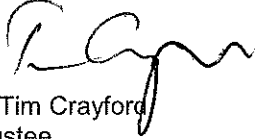
Auditor

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 12th December 2019 and signed on the board's behalf by:

Signed

A handwritten signature in black ink, appearing to read 'Tim Crayford', with a stylized flourish at the end.

Dr Tim Crayford
Trustee

12th December 2019

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 Executive Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Trust Board and the Finance & Operations Committee have both formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Trust Board		Finance & Operations Committee	
	Meetings Attended	Out of a possible	Meetings Attended	Out of a possible
Paul Huitson	3	3	4	4
Jonathan Wilden	3	3	4	4
Dr T Crayford	3	3	4	4
Mrs V John	3	3	4	4
Mrs J Speller	3	3	4	4

The Board maintains effective oversight over the Trust's finances by meeting 3 times per year and reviewing the reports of its dedicated Finance & Operations Committee, which meets 4 times a year.

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 trust's 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.

Review of Value for Money

As accounting officer the Executive Headteacher 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 all financial transactions represent value for money.

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.

In addition to this the executive headteacher continues to be closely involved with the Grammar Schools Heads Association.

Folio Education Trust

Governance Statement (continued)

3 . 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 and Operations 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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 2019, the external auditor reviewed the Trust's core financial controls, and also Payroll.

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.

Folio Education Trust

Governance Statement (continued)

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 12th December 2019 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 2018.

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 2018.

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

A handwritten signature in black ink, appearing to read 'Jonathan Wilden', with a stylized flourish at the end.

Mr Jonathan Wilden

Accounting Officer

12th December 2019

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 2015 and the Academies Accounts Direction 2018 to 2019
- ◆ 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 12th December 2019 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 2019 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 2015) 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 2019 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 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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. 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)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

19 December 2019

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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

19 December 2019

Folio Education Trust

Consolidated Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	2	187	26	1,384	1,597	1,079
Charitable activities:						
Funding for the Trust's educational operations	3	932	10,565	-	11,497	9,699
Other trading activities	4	206	3	-	209	110
Investments	5	1	-	-	1	-
Total		1,326	10,594	1,384	13,304	10,888
Expenditure on:						
Raising funds	6	19	10	-	29	34
Charitable activities:						
Academy trust educational operations	6,7	748	11,558	451	12,757	11,021
Other		43	-	-	43	30
Total Expenditure		810	11,568	451	12,829	11,085
Net income / (expenditure) before transfers		516	(974)	933	475	(197)
Transfers between funds	17	(436)	389	47	-	-
Net Income/(Expenditure)		80	(585)	980	475	(197)
Other recognised (losses) /gains:						
Actuarial gains/(losses) on defined benefit pension schemes	17,26	-	(942)	-	(942)	636
Losses on impairments of Fixed Assets	13	-	-	-	-	(2,459)
Net movement in funds		80	(1,527)	980	(467)	(2,020)
Reconciliation of funds						
Total funds brought forward		176	(2,377)	27,064	24,863	26,883
Total funds carried forward		256	(3,904)	28,044	24,396	24,863

Folio Education Trust

Consolidated Group and Trust Balance Sheets as at 31 August 2019

Company Number 07627302

		Consolidated 2019 £000	Trust 2019 £000	Consolidated 2018 £000	Trust 2018 £000
	Notes				
Fixed assets					
Intangible assets	12	12	12	16	16
Tangible assets	13	28,003	28,003	26,485	26,485
		<u>28,015</u>	<u>28,015</u>	<u>26,501</u>	<u>26,501</u>
Current assets					
Stock	14	12	12	21	21
Debtors	15	762	784	559	559
Cash at bank and in hand		1,465	1,443	2,171	2,171
		<u>2,239</u>	<u>2,239</u>	<u>2,751</u>	<u>2,751</u>
Liabilities					
Creditors: Amounts falling due within one year	16	(1,914)	(1,914)	(1,896)	(1,896)
Net current assets		<u>325</u>	<u>325</u>	<u>855</u>	<u>855</u>
Net assets excluding pension liability		<u>28,340</u>	<u>28,340</u>	<u>27,356</u>	<u>27,356</u>
Defined benefit pension scheme liability	26	(3,944)	(3,944)	(2,493)	(2,493)
Total assets		<u>24,396</u>	<u>24,396</u>	<u>24,863</u>	<u>24,863</u>
Funds of the trust:					
Restricted funds					
. Fixed asset fund	17	28,044	28,044	27,064	27,064
. Restricted income fund	17	40	40	116	116
. Pension reserve	17	(3,944)	(3,944)	(2,493)	(2,493)
Total restricted funds		<u>24,140</u>	<u>24,140</u>	<u>24,687</u>	<u>24,687</u>
Unrestricted income funds	18	256	256	176	176
Total funds		<u>24,396</u>	<u>24,396</u>	<u>24,863</u>	<u>24,863</u>

The financial statements on pages 35-37 were approved by the trustees, and authorised for issue on 12 December 2019 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 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(123)	(212)
Cash flows from investing activities	22	(579)	541
Change in cash and cash equivalents in the reporting period		(702)	329
Cash and cash equivalents at 1 September 2018		2,171	1,842
Cash and cash equivalents at the 31 August 2019	23	1,465	2,171

Folio Education Trust

Notes to the Financial Statements for the period ended 31 August 2019

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 2018 to 2019 issued by EFA, 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 SORP 2015.

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.

Folio Education Trust

Notes to the Financial Statements for the period ended 31 August 2019

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.

- **Transfer on Conversion**

Where assets are transferred to the Trust on conversion, the assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as Transfer on Conversion.

Folio Education Trust

Notes to the Financial Statements for the period ended 31 August 2019

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**

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.

Folio Education Trust

Notes to the Financial Statements for the period ended 31 August 2019

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 2019

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 2019

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 2019

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

2 Donations and capital grants

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018
	£000	£000	£000	£000
Capital Grants	-	-	897	897
Donations	152	30	-	182
	152	30	897	1,079

3 Funding for the Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2019
	£000	£000	£000
DfE / ESFA grants			
. General Annual Grant (GAG)	-	9,251	9,251
. Other DfE/ESFA grants	-	938	938
	-	10,189	10,189
Other income from the Trust's educational operations	932	376	1,308
	932	10,565	11,497

	Unrestricted Funds	Restricted Funds	Total 2018
	£000	£000	£000
DfE / ESFA grants			
. General Annual Grant (GAG)	-	7,987	7,987
. Other DfE/ESFA grants	-	529	529
	-	8,516	8,516
Other Government grants			
Other income from the Trust's educational operations	735	448	1,183
	735	8,964	9,699

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (continued)

4 Other Trading activities

	Unrestricted Funds	Restricted General Funds	Total 2019
	£000	£000	£000
Hire of facilities	47	-	47
Sale of Sports Kit	23	-	23
Contract Catering	88	-	88
Education Welfare Services	16	-	16
Staff Consultancy	22	-	22
Other	10	3	13
	206	3	209

	<i>Unrestricted Funds</i>	<i>Restricted General Funds</i>	<i>Total 2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Hire of facilities</i>	37	-	37
<i>Other</i>	69	4	73
	106	4	110

5 Investment income

	Unrestricted Funds	Restricted General Funds	Total 2019
	£000	£000	£000
Bank Interest	1	-	1
	1	-	1

	<i>Unrestricted Funds</i>	<i>Restricted General Funds</i>	<i>Total 2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Bank Interest</i>	-	-	-
	-	-	-

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

6 Expenditure

	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
	<u>9,771</u>	<u>1,127</u>	<u>1,888</u>	<u>12,786</u>

	Staff Costs (Note 8) £000	Non Pay Expenditure Premises £000	Other £000	Total 2018 £000
Expenditure on raising funds	-	-	34	34
Trust's educational operations:				
. Direct costs	7,062	-	1,303	8,365
. Allocated support costs	1,221	1,035	400	2,656
	<u>8,283</u>	<u>1,035</u>	<u>1,737</u>	<u>11,055</u>

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	75	51
Depreciation	276	383
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	1	1
Fees payable to auditor for:		
- statutory audit	19	13
- other services	<u>3</u>	<u>7</u>

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (continued)

7 Charitable Activities

	Total	Total
	2019	2018
	£000	£000
Direct costs – educational operations	9,445	8,365
Support costs – educational operations	3,312	2,656
	12,757	11,021

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total	Total
				2019	2018
				£000	£000
	£000	£000	£000		
Staff Costs	340	7,695	-	8,035	7,061
Educational Supplies and Services	1	522	-	523	467
Examination Fees	-	159	-	159	144
Catering	407	-	-	407	343
School Trips	-	193	-	193	272
Other Direct Costs	-	128	-	128	78
Total direct costs	748	8,697	-	9,445	8,365
Analysis of support costs					
				2019	2018
	£000	£000	£000	£000	£000
Support staff costs	-	1,736	-	1,736	1,221
Depreciation and amortisation	-	-	451	451	384
Technology costs	-	110	-	110	113
Premises costs	-	676	-	676	652
Other support costs	-	339	-	339	286
Total support costs	-	2,861	451	3,312	2,656
Total	748	11,558	451	12,757	11,021
2018 Total	524	10,113	384	11,021	

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2019 £000	Total 2018 £000
Wages and salaries	7,348	6,209
Social security costs	719	605
Operating costs of defined benefit pension schemes	1,680	1,370
	9,747	8,184
Agency staff costs	22	64
Severance Payments	2	35
	9,771	8,283

b. Non statutory/non contractual staff severance payments

Included in staff costs is one non-statutory/non-contractual severance payments (2018: two) of £2,000 (2018: £35,000).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	121	109
Administration and support	158	145
Management	2	2
	281	256

d Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£110,001 - £120,000	0	1
£120,001 - £130,000	1	0

Aggregate pension scheme costs for higher paid employees were £96,000 (2018:£95,000)

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 £711,000 (2018: £539,000).

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (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 4-5% for each Academy within the Trust.

	2019	2018
	£000	£000
The actual amounts charged during the year were:		
Wallington County Grammar School	457	426
Park Hill Junior School	98	70
St Peters Primary School	117	78
Coombe Wood School	256	-
	928	574

Folio Education Trust

Notes to the Financial Statements for the year ended

31 August 2019 (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 £120,000-£125,000 (2018: £115,000 - £120,000)

. Employer's pension contributions paid £20,000-£25,000 (2018: £15,000 - £20,000)

John Diamond, who retired as a member on 10th April 2019 received remuneration of £4,750 after retiring. See note 27 for further details.

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 2019 (continued)

12 Intangible Fixed Assets

	Computer Software	Total
Cost	£000	£000
At 1 September 2018	20	20
Additions	-	-
At 31 August 2019	20	20
Amortisation		
At 1 September 2018	4	4
Charged in year	4	4
At 31 August 2019	8	8
Carrying amount		
At 31 August 2018	16	16
At 31 August 2019	12	12

13 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer equipment	Assets under Construct- ion	Motor Vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
Cost/Valuation							
At 1 September 2018	23,988	2,698	650	188	155	29	27,708
Additions	1,396	-	231	161	176	-	1,964
Disposals	-	-	-	-	-	-	-
Transfers	153	-	-	-	(153)	-	-
At 31 August 2019	25,537	2,698	881	349	178	29	29,672
Depreciation							
At 1 September 2018	728	24	405	47	-	18	1,222
Charged in year	232	22	92	90	-	11	447
At 31 August 2019	960	46	497	137	-	29	1,669
Net book values							
At 31 August 2018	23,260	2,674	245	140	155	11	26,485
At 31 August 2019	24,577	2,652	384	212	178	-	28,003

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (continued)

14 Stock

	2019	2018
	£000	£000
Clothing	-	16
Catering	12	5
	12	21

15 Debtors

	Group		Trust	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade debtors	133	110	125	110
VAT recoverable	95	141	102	141
Amounts due from subsidiary undertakings	-	-	23	-
Other debtors	25	9	25	9
Prepayments and accrued income	509	299	509	299
	762	559	784	559

16 Creditors: Amounts Falling due within one year

	Group		Trust	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade creditors	134	181	134	181
Other taxation and social security	305	159	305	159
EFA creditor: abatement of GAG	-	-	-	-
Other creditors	875	1,003	875	1,003
Accruals and deferred income	600	553	600	553
	1,914	1,896	1,914	1,896

Deferred income (Included above)	2019	2018	2019	2018
	£000	£000	£000	£000
Deferred income at 1 September 2018	126	172	126	172
Released from previous years	(126)	(172)	(126)	(172)
Resources deferred in the year	175	126	175	126
Deferred Income at 31 August 2019	175	126	175	126

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 2019 (continued)

17 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	-	9,251	(9,635)	390	6
Other Restricted Funds (See below)	116	1,343	(1,424)	(1)	34
Pension reserve	(2,493)	-	(509)	(942)	(3,944)
	(2,377)	10,594	(11,568)	(553)	(3,904)
Restricted fixed asset funds					
DfE/EFA capital grants	26,144	-	-	-	26,144
Other Capital Funds	897	1208	(451)	246	1,900
Restricted fixed asset funds	23	176		(199)	-
	27,064	1,384	(451)	47	28,044
Total restricted funds	24,687	11,978	(12,019)	(506)	24,140
Total unrestricted funds	176	1,326	(810)	(436)	256
Total funds	24,863	13,304	(12,829)	(942)	24,396

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

	£000
Central Trust funds	(118)
Funds held in trust	5
Funds to be used to purchase educational equipment	14
Funds used to run the Croydon School Sports Partnership	126
Other	13
	40

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 2019 were allocated as follows:

	Total 2019 £000	Total 2018 £000
Wallington County Grammar School	125	61
Park Hill Junior School	31	64
St Peters Primary School	127	123
Croydon Schools Sports Partnership	126	120
Coombe Wood School	5	(20)
Central services	(118)	(56)
Total before fixed assets and pension reserve	296	292
Restricted fixed asset fund	28,044	27,064
Pension reserve	(3,944)	(2,493)
Total	24,396	24,863

Central Services is currently showing a cumulative deficit of £118k, which is due mainly to costs incurred in opening Coombe Wood School, in excess of the funding provided for this stage. This overspend is being recovered over the next 3 years, by a combination of additional levy on Coombe Wood specifically, and lettings income anticipated as a result of the first class sporting resources that will be available, and which will be operated at Trust level.

FOLIO EDUCATION TRUST
Notes to the Financial Statements for the year ended
31 August 2019 (continued)

17 Funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	7,897	(8,350)	453	-
Other Restricted Funds	411	1,101	(1,396)	-	116
Pension reserve	(2,745)	-	(384)	636	(2,493)
	<u>(2,334)</u>	<u>8,998</u>	<u>(10,130)</u>	<u>1,089</u>	<u>(2,377)</u>
 Restricted fixed asset funds	 28,986	 -	 (383)	 (2,459)	 26,144
DfE/EFA capital grants		897			897
Capital Expenditure from other funds				23	23
	<u>28,986</u>	<u>897</u>	<u>(383)</u>	<u>(2,436)</u>	<u>27,064</u>
 Total restricted funds	 <u>26,652</u>	 <u>9,895</u>	 <u>(10,513)</u>	 <u>(1,347)</u>	 <u>24,687</u>
 Total unrestricted funds	 <u>231</u>	 <u>993</u>	 <u>(572)</u>	 <u>(476)</u>	 <u>176</u>
 Total funds	 <u>26,883</u>	 <u>10,888</u>	 <u>(11,085)</u>	 <u>(1,823)</u>	 <u>24,863</u>

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

Group	Unrestricted Funds	Restricted General Funds	Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
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)
Total net assets	256	(3,904)	28,044	24,396

Trust	Unrestricted Funds	Restricted General Funds	Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
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)
Total net assets	256	(3,904)	28,044	24,396

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

	Unrestricted Funds	Restricted General Funds	Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	16	16
Tangible fixed assets	-	-	26,485	26,485
Net Current assets	176	116	563	855
Pension scheme liability	-	(2,493)	-	(2,493)
Total net assets	176	(2,377)	27,064	24,863

19 Capital Commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	1,150
Approved but not contracted for, and not provided for in the financial statements	489	-
	489	1,150

20 Commitments under operating leases

Operating Leases

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

	2019 £000	2018 £000
Amounts due within one year	47	60
Amounts due between one and five years	39	44
	86	104

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (continued)

21 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2019	2018
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	475	(197)
Adjusted for:		
Amortisation (note 12)	4	1
Depreciation charges (note 13)	447	383
Capital grants from DfE and other capital income	(1,384)	(897)
Fixed Assets transferred on conversion	-	-
Interest receivable (note 5)	(1)	-
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	440	312
Defined benefit pension scheme finance cost (note 26)	69	70
(Increase)/decrease in stocks	10	(18)
(Increase)/decrease in debtors	(202)	10
Increase/(decrease) in creditors	19	124
Repayments of borrowing	-	-
Net cash provided by / (used in) Operating Activities	(123)	(212)

22 Cash Flows from Investing Activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	1	-
Purchase of tangible fixed assets	(1,964)	(356)
Capital grants from DfE/EFA	1,384	897
Net cash provided by / (used in) investing activities	(579)	541

23 Analysis cash and cash equivalents

	At 31 August	At 31 August
	2019	2018
	£000	£000
Cash in hand and at bank	1,465	2,171
Total cash and cash equivalents	1,465	2,171

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (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 2019 (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:

	2019 £000
Turnover	96
Administrative Expenses	(96)
Profit on ordinary activities before taxation	-
Gift aid donation to Folio Education Trust	-
Profit on ordinary activities after taxation	-

The assets and liabilities of the subsidiary were:

	2019 £000
Current assets	31
Current liabilities	(31)
Total net assets	-

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (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 £138,235 were payable to the schemes at 31 August 2019 (2018: £126,961) 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 2019 (continued)

26 Pension and Similar Obligations (continued)

The pension costs paid to TPS in the period amounted to £1,163,000 (2018: £939,000).

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 2019 (continued)

26 Pension and Similar Obligations (continued)

Net LGPS Pension Liability

	London Borough of Sutton	London Borough of Croydon	Total	2018
Pension Liability as at 1 September 2018	(1,519)	(974)	(2,493)	(2,745)
Interest Payable	(38)	(31)	(69)	(70)
Administration Expenses	(2)	-	(2)	(1)
Service Cost	(265)	(690)	(955)	(675)
Actuarial Losses	-	-	0	124
Employer Contributions	182	375	557	362
Return on assets less interest	94	40	134	37
Change in financial assumptions	(366)	(710)	(1,076)	539
Experience gain/loss on defined benefit obligation	0	-	0	(64)
Past Service Costs	(40)	-	(40)	0
Pension liability as at 31 August 2019	(1,954)	(1,990)	(3,944)	(2,493)

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 2019 was £223,000 (2018: £270,000), of which employer's contributions totalled £182,000 (2018: £217,000) and employees' contributions totalled £41,000 (2018: £53,000)

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 2019	At 31 August 2018
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.85%	2.65%

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (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	4,549	4,646	4,746
Projected Service Cost	293	299	306
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	4,656	4,646	4,636
Projected Service Cost	299	299	299
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	4,735	4,646	4,559
Projected Service Cost	306	299	293
Adjustment to life expectant assumptions	+1 Year	None	-1 Year
Present value of total obligation	4,821	4,646	4,478
Projected Service Cost	310	299	288

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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	23.4	24.5
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	25.1	26.8
Females	26.7	28.5

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

26 Pension and Similar Obligations (continued)

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	1,615	1,615
Debt instruments	759	534
Property	317	196
Cash	1	38
Total market value of assets	2,692	2,383
Less Liabilities	(4,645)	(3,802)
Net Pension Liability	(1,953)	(1,419)

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Service Cost	305	368
Net Interest on defined liability	38	43
Expected return on assets	2	1
	345	412

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

	2019 £'000	2018 £'000
At 1 September	3,902	3,714
Current service cost	265	368
Interest cost	103	97
Changes in financial assumptions	616	(359)
Changes in demographical assumptions	(250)	-
Employee contributions	41	53
Expected gain/loss on defined pension obligations		64
Benefits paid	(71)	(35)
Past service costs	40	
At 31 August	4,646	3,902

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (continued)

26 Pension and Similar Obligations (continued)

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

	2019	2018
	£'000	£'000
At 1 September	2,383	1,952
Interest income	65	54
Return on plan assets (excluding net interest on the net defined pension liability)	94	19
Actuarial gain/(loss)		124
Employer contributions	182	217
Employee contributions	41	53
Benefits paid	(71)	(35)
Administration Expenses	(2)	(1)
At 31 August	2,692	2,383

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (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 2019 was £494,000 (2018: £190,000), of which employer's contributions totalled £375,000 (2018: £145,000) and employees' contributions totalled £119,000 (2018: £45,000).

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 2019	At 31 August 2018
Rate of increase in salaries	2.80%	2.80%
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.90%	2.80%
Sensitivity Analysis	£000	£000
Adjustment to discount rate	0.50%	0.50%
Present value of total obligation	488	227
Adjustment to long term salary increase	0.50%	0.50%
Present value of total obligation	29	23
Adjustment to pension increases and deferred revaluation	0.50%	0.50%
Present value of total obligation	452	203

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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.0	24.4
<i>Retiring in 20 years</i>		
Males	24.4	24
Females	26.2	26.2

Folio Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

26 Pension and Similar Obligations (continued)

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	602	297
Debt instruments	223	67
Property	136	50
Cash	10	4
Total market value of assets	971	418
Less Liabilities	(2,961)	(1,392)
Net Pension Liability	(1,990)	(974)

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Service Cost	690	307
Current Service Cost	-	-
Net Interest on defined liability	50	34
Deficit transferred on conversion	-	-
	740	341

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

	2019 £'000	2018 £'000
At 1 September	1,392	1,186
Current service cost	690	307
Interest cost	50	34
Changes in financial assumptions	710	(180)
Employee contributions	119	45
At 31 August	2,961	1,392

Folio Education Trust
Notes to the Financial Statements for the year ended
31 August 2019 (continued)

26 Pension and Similar Obligations (continued)

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

	2019	2018
	£'000	£'000
At 1 September	418	203
Interest income	19	7
Return on plan assets (excluding net interest on the net defined pension liability)	40	18
Employer contributions	375	145
Employee contributions	119	45
At 31 August	971	418

Folio Education Trust

Notes to the Financial Statements for the year ended

31 August 2019 (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 Academics Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

John Diamond, who was a trustee until 31st August 2018 and a member until 10th April 2019 was subsequently employed from 1st April 2019 to 31st July 2019 to carry out financial duties and was paid a total amount of £4,750.

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 £19,285 (2018: £19,388) and disbursed £9,771 (2018: £6,814).