

Ethos Academy Trust

Annual Report And Financial
Statements Year Ended 31
August 2019

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ETHOS
ACADEMY TRUST

Nurturing Inclusive learning communities

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

V Del Giudice
G Hughes
A Megahy
B Tullie

Trustees

A Absolon
C Acklam
V Del Giudice
G Dewhirst
J Firth (appointed 15/02/19, resigned 31/8/19)
C Haygarth (appointed 06/12/18)
A Holmes (resigned 01/11/18)
M Newby
S Noble (resigned 06/12/18)
A Rawson
R Whitehouse (appointed 06/12/18)

Company Secretary

J Barr - EDU Clerks, 138 The Oval, Leeds, West Yorkshire, LS14 6BB, England

Senior Management Team

CEO

Jayne Foster

CFO

Tracy Jackson

Head Teacher - Engage Academy

Alison Ward

Head Teacher - Ethos College

Jayne Foster (01/09/18 - 01/03/19)

Head Teacher - Reach Academy

Rebecca Smith (Acting Head from 01/04/19)

Martin Ridge

Company Name

Ethos Academy Trust

Principal and Registered Office

Reach Academy
Field Hill Centre
Batley Field Hill
West Yorkshire
WF17 0BQ

Company Registration Number

10745840 (England and Wales)

Independent Auditor

Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

TRUSTEES' REPORT

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

During the year Ethos Academy Trust operated three academies: one primary pupil referral unit academy; one secondary (Key Stage 3) pupil referral unit and one primary and secondary pupil referral unit academy in Kirklees. Its academies had a combined pupil capacity of 129 (full time equivalent places) and in the school census in May 2019 had a roll of 145.

Structure, Governance and Management

Constitution

Ethos Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Ethos Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Ethos Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 4.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, Ethos Academy Trust have taken out insurance through the Education and Skills Funding Agency (ESFA) Risk Protection Arrangement (RPA) scheme. This provides unlimited professional indemnity cover.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Memorandum and Articles of Association, the Members may appoint up to eleven Directors. The Board may appoint up to two Trustees without reference to the Members. Recruitment has taken place through Academy Ambassadors. Applicants provide a CV and are invited to visit the Trust and meet with the CEO and Chair of the Board. Consideration to potential applicants is then given by the Board prior to a recommendation being taken to Members. New Trustees have been appointed to meet required skill sets.

Policies and Procedures Adopted for the Induction and Training of Trustees

A programme of induction is provided for new Trustees depending on their existing experience and is tailored to their needs. A full induction pack including Trustee Handbook, Code of Conduct, role descriptions, Scheme of Delegation and supporting documentation is also provided to Trustees upon appointment.

Trustees are required to complete a minimum of a Level One safeguarding course online. Further to this, a broad range of training and development opportunities are available to support Trustees in developing their skills and knowledge. Trustees are also encouraged to pursue individual training and development opportunities, in addition to participating in development activities undertaken by the full Board. All Trustees are required to complete a register of interests, which is updated on a continuing basis.

Organisational Structure

Ethos Academy Trust has a full Scheme of Delegation in place which is reviewed annually, and details how decision-making powers are delegated between the members, the Board, the CEO, Heads of individual academies and, where applicable, Local Governing Boards. There are currently no Local Governing Boards.

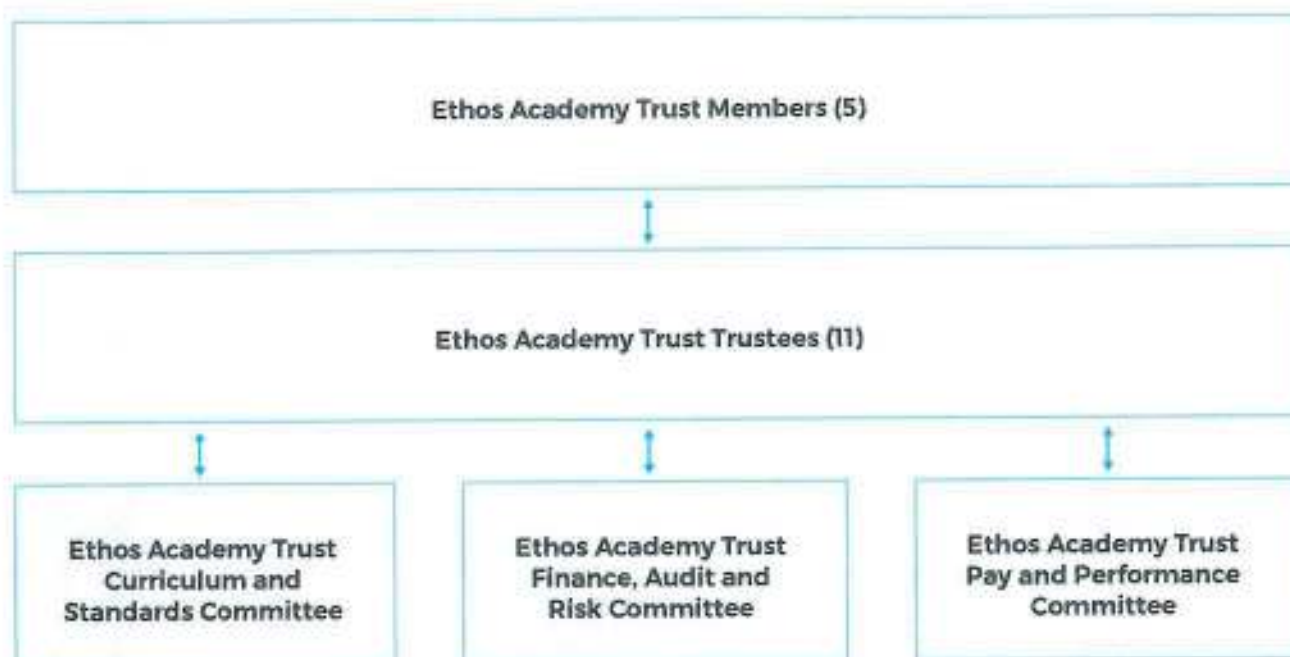
The main Board met half termly during 2018-19. The Board has three Committees which act in an advice and scrutiny

capacity to the Board to enable informed decisions to be made. These are the Finance, Audit and Risk Committee, the Curriculum and Standards Committee and the Pay and Performance Committee. Terms of Reference of each Committee are reviewed annually by the Board.

The CEO is the accounting officer and undertakes all duties linked to this post and is accountable to the Board.



Ethos Academy Trust Governance Structure 2018-19:



As at 31 August 2019, there was one Member vacancy and three Trustee vacancies.

Trade union facility time

In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust's analysis is as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.6

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

First Column	Figures
The total cost of facility time	£0
The total pay bill	£2,918,464
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Related Parties and other Connected Charities and Organisations

Ethos Academy Trust has developed links with other local schools and Trusts due to its unique knowledge and understanding of pupils with Social, Emotional and Mental Health needs. As such, it occasionally will provide chargeable (at cost) support to other partners. In addition, the Trust runs the exclusions contract on behalf of the Local Authority and commissions local head teachers and senior leaders to sit on Independent Review Panels in relation to exclusions. This may involve using head teachers and senior leaders from schools and Trusts that the Trust is connected to through its members or Trustees. A standard payment (based on reimbursement at cost) is paid for such services.

The following transactions with related parties have occurred in the 2018/19 financial year:

South Pennine Academies Trust

£600 purchase of HR support. C Acklam is a Trustee of both Ethos Academy Trust and South Pennine Academies Trust.

Upper Batley High School

£260 purchase (£100 independent review panel claim, £160 asbestos training). £105 sales (exam fees) from Upper Batley High School.

A Megahy is a Member of Ethos Academy Trust and Vice-Chair of Governors of Upper Batley High School.

Batley Girls High School

£91 purchase (meeting costs). G Hughes is a Member of Ethos Academy Trust and Deputy Head of Batley Girls High School.

Ginger Pickles

£1,109 purchase (labour and materials). Ginger Pickles is the business of the spouse of C Dawson, a teacher and member of SLT at Engage Academy.

Objectives and Activities

Objects and Aims

The objects of the company are specifically restricted to the following: To advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; or education institutions which are principally concerned with providing education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them.

Objectives, Strategies and Activities

Ethos Academy Trust has a three-year strategic plan.

The Trust plays a system leader role as a values-driven organisation. Ethos Academy Trust regards education as a vehicle for securing better outcomes for all, including those from disadvantage, whatever their

starting points. The Trust works with a high proportion of young people from lower income backgrounds and with SEND.

The Trust has a developing, comprehensive and robust monitoring and risk assurance framework.

The Trust's mission is: Nurturing inclusive learning communities. Focussed on maximising the life chances of all children, Ethos Academy Trust embraces a forward-thinking and open-minded outlook, informed by a thorough understanding of the strengths and needs of our pupils, parents / carers, local schools and the wider community.

The Trust's core values are:

Leading with integrity

- Championing honesty and transparency
- Building Trusting relationships

Thinking innovatively

- Finding creative solutions
- Meeting individual need

Encouraging freedom and responsibility

- Working collaboratively
- Investing in effective partnerships

Celebrating achievement

- Improving academic progress
- Enriching personal development

Improving continuously

- Raising standards
- Developing strong and effective leaders



The Trust's strategic objectives for 2018-19 were:

Objective 1

Develop effective governance structures, systems and processes in order to effectively hold senior leaders within the Trust to account.

Objective 2

Increase the amount of high quality PRU / AP / specialist SEMH provision to ensure that pupils with wide ranging SEMH needs can have their needs met locally in line with the High Needs Review / Plan.

Objective 3

Develop and embed effective strategic leadership models across the MAT.

Objective 4

Increase standards across all Trust schools.

Public Benefit

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties, in particular to its supplementary guidance on advancing education. The main public benefit delivered by the Trust is the advancement of education.



Strategic Report

Achievements and Performance

Objective 1

Develop effective governance structures, systems and processes in order to effectively hold senior leaders within the Trust to account.

- Effective clerking and company secretary functions, delivered by Educlerks, provided expert support, guidance and advice to the Board, ensuring compliance.
- Risks clearly identified in Academy and Trust Risk Registers.
- Monthly budget report to Chair implemented in line with Academies Financial Handbook 2018-19 requirement.
- The development of Key Performance indicators supported effective reporting and accountability structures.
- Recruitment, induction and training opportunities supported Trustees to understand and fulfil their roles effectively in holding senior leaders to account.
- Systems for stakeholder voice monitoring and reporting developed to enable the Board to have a holistic overview of Trust / Academy effectiveness.
- Link Trustee roles implemented to develop active strategic involvement of

Board members with Trust / academy senior leaders focused on priority areas of development.

- Three new Trustees recruited during 2018-19 with specific required skill sets.
- Review of Scheme of Delegation undertaken at the end of the year and refined version developed.

Objective 2

Increase the amount of high quality PRU / AP / specialist SEMH provision to ensure that pupils with wide ranging SEMH needs can have their needs met locally in line with the High Needs Review / Plan.

- High engagement with Kirklees Local Authority as a key strategic partner resulted in the formalisation of a three-year service level agreement.
- SEMH training network introduced and accessible to all Kirklees mainstream schools and other local partners, with a focus on building the capacity of mainstream schools to effectively support pupils with social, emotional and mental health needs.
- Pupil capacity increased from 20 to 28 at Engage Academy under a successful pilot arrangement for longer term transitional places, resulting in this becoming a sustainable model.

- Exceptional Needs (EN) provision required creative, personalised packages of provision to be developed for 30 additional pupils across Key Stages 1-4 during the course of the year.
- Proposal to the Local Authority submitted by the Trust to develop a service level agreement for EN provision, resulting in ongoing dialogue to secure high-quality long-term arrangements for this category of pupil.
- Kirklees LA were unsuccessful with their application to develop an alternative provision Free School in Kirklees. Consideration needs to be given to the expansion of the current provision.

Objective 3

Develop and embed effective strategic leadership models across the MAT.

- Scalable leadership and School Improvement model secured and in place.
- Chief Operations Officer and HR Manager appointed to increase capacity and expertise of Central Team from September 2019.
- Growth strategy and plan developed in readiness for growth opportunities 2019-2022.

- Heads and Deputy Head Teachers contributed to and led on strategic areas of development across Academies to share expertise and build capacity.

Objective 4

Increase standards across all Trust schools.

- Effective investment in MDIF funding to secure sustainable school improvement model.
- A successful professional development programme for all staff ran throughout 2018-19.
- Reporting cycle calendar developed and adopted.
- Informal and formal leadership networks for SENDCOs, Designated Safeguarding Leads and Mental Health Leads established and effective. Additional informal networks between colleagues at various levels across academies established and effective.
- Wide ranging staff wellbeing initiatives in place at individual Academy level.
- All three academies had a successful year, as summarised on the next page.



Ethos College:

Termly tracking data demonstrates that all realistic targets for expected progress within the KPIs were exceeded across reading, spelling, maths and English and aspirational targets for progress in English and Maths were also exceeded. 58% of pupils gained 5 or more GCSEs 9-1 (A*-G) or equivalent in 2108/19, an overall increase of 13% from 2017/18. 23% of the cohort achieved English and Maths (9-4). Whilst there is a clear gap between Ethos College and mainstream data, it is evident that Ethos College continues to significantly outperform national alternative provision outcomes.

Year 11 Headline Figures	Ethos College 2018-2019	Ethos College 2017-2018	National AP Data 2017 - 2018	Provisional National Mainstream 2018-19
Number of Year 11 pupils	40	47	9637	527,859
Average Total Attainment 8	16.56	17.63	6.6	46.3
Attainment 8 Average Boys	14.32	10.75		43.7
Attainment 8 Average Girls	19.59	24.80		49.0
Progress 8 Score	-2.19	-2.16	-3.11	0.0
5 or more 9-4 (A* - C) including English and Maths	7.5%	19%		
5 or more 9-1 (A* - G) including English and Maths	35%	28%		
5 or more GCSEs 9-4 (A*-C) or their equivalent	20%	21%		
5 or more GCSEs 9-1 (A*-C) or their equivalent	58%	45%	12.3%	

At least 1 GCSE 9 - 4 (A*-C) or equivalent	55%	57%		
At least 1 GCSE 9 - 1 (A*-G) or equivalent	95%	96%	57%	99.3%
9 - 4 (A* - C) in English	23%	28%	4.3%	65.1%

Attendance was a whole school development priority focus, with most pupils achieving rapid and sustained improvements in comparison to pre-referral data, securing an overall average value-added attendance figure of 25.39%. Leaders and staff have successfully generated a culture of high aspiration that is highly evident throughout all aspects of the academy.

Reach Academy:

The gap between English and Maths progress narrowed significantly with literacy being a whole school development priority. 80% of pupils made at least expected progress in English (27% accelerated progress) and 90% of pupils made at least expected progress in maths (20% accelerated progress). Leaders undertook a rigorous curriculum review in consultation with all stakeholders in response to the changing profile of pupil need, with tiered strands of provision and a strong curriculum intent in place in readiness for 2019/20.

The majority of pupils achieved rapid and sustained improvements in attendance in comparison to pre-referral data, securing an overall average value-added attendance figure of 14% (2.5% increase on the previous year).

Engage Academy:

Key performance indicators in terms of expected progress in maths, reading and spelling were exceeded. The significant change in cohort during 2018/19 (with a 40% increase in roll for longer term transitional places for pupils with EHCPs) has resulted in the need to review and restructure the curriculum and assessment processes, with clearly defined strands of provision in place ready for 2019/20. Significant work took place on the development of bespoke tracking systems to monitor and evidence progress in relation to English, Maths and social, emotional and mental health needs in response to the significant change in the profile of pupils.

The majority of pupils achieved rapid and sustained improvements in attendance comparison to pre-referral data, securing an overall average value-added attendance figure of 18.38%. The strong staff team are motivated and united with the leadership team in making this academy be the best it can be.

Key Performance Indicators

The Board considers that the following are key performance indicators for the Academy Trust:

- Pupil attendance;
- Pupil destinations outcomes;
- Pupil progress (academic and in relation to social, emotional and mental health needs);
- General financial stability - aim for income to match expenditure each year;
- Staff costs as a percentage of total costs; Pupil/staff ratios;
- Ofsted inspection grades; and Governance self-review / evaluation of effectiveness.

The Board receives updates against the above indicators through the various reporting mechanisms during the year and considers that all key performance indicators listed have been successfully 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.

Financial Review

This has been the first year of operation for Ethos Academy Trust. The accounts show a £552K surplus (excluding fixed assets and pension adjustment) which includes a revenue transfer from the Local Authority of £556K and unspent capital funds transferred from the Local Authority of £99K (total £655K). Trustees wanted to ensure that adequate reserves were in place to mitigate against any future changes in funding. Trustees also felt it was essential to have sufficient reserves for any future capital needs. The budget position shows an in-year surplus for FY19/20.

The Trust received the majority of its funding from the Local Authority as either top up funding per pupil or for the medical and outreach services. Additional place funding of £10k per pupil is also received from the ESFA. This funding is used to support the key objectives of the Trust.

Reserves Policy

The Trustees will review the reserve levels of the Trust annually each September. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. At the year end, the Trust held £4,421K of total reserves, made up of fixed asset reserves of £3,553K, unrestricted reserves of £712K and restricted reserves of £157K. Reserves are held to ensure that the Trust has sufficient resources to continue to advance the education of pupils, including incurring the necessary capital expenditure. The Trustees would like to maintain reserves of restricted and unrestricted funds (not including fixed assets and pension reserve) of the

equivalent of 1 months' staffing costs for the Trust. Additional reserves are retained by the Trust to cover future capital projects and to mitigate against unforeseen expenditure.

The levels of reserves held are in line with the Trust Treasury Management and Reserves Policy.

Investment Policy

The Trust has a Treasury Management and Investment Policy. The objectives of this policy are to ensure that the Trust:-

- Maintains sufficient cash balances in its current account to meet its day to day commitments;
- Invests surplus cash to earn an acceptable rate of return without undue risk;
- Complies with the Academies Financial Handbook and ensures that security of funds takes precedence over revenue maximisation;
- Considers spreading risk between differing institutions to reduce risk.

Principal Risks and Uncertainties

The Trust has a Risk Management Policy and maintains a Risk Register covering the principal risks and uncertainties facing the Trust. These are categorised as strategic, operational, financial and compliance. The risk register is reviewed regularly. Following a complete review of the Risk Register with senior staff and Trustees in July 2019, the main areas of risk identified were:

- Loss of key staff and Trustees for a significant period of time whilst the Trust is in its early days;
- Lack of funding for pupils with exceptional needs which may impact on the Trust's financial position;
- Lack of effective historical capital maintenance/asset management programme resulting in the Trust not effectively managing its estate;
- Lack of effective historical ICT strategy resulting in ICT not fit for purpose and unforeseen investment requirements.

To mitigate against these risks, the Trust has taken the following action:-

- Appointment of Vice Chair of Trustees. Appointment of additional management staff to the central Trust to add capacity and knowledge. Advert placed for additional senior leaders;
- Monthly claims issued to Local Authority for students with exceptional needs. Ongoing dialogue with the Local Authority senior staff to secure future funding and establish permanent base;
- Three-year capital plan currently being constructed to address site and ICT estate needs to ensure that future capital investment adds the greatest value.

Fundraising

The Trust has aspirations to add to its grant funding by undertaking fund-raising activities where possible and has created a Business Plan to identify opportunities to raise additional funds and generate income for the Trust. These include utilising the unique specialism of the Trust in SEMH needs to provide training and networking events for education professionals. The Trustees will review this Business Plan on a regular basis.

In addition, in 2018/19, the Trust engaged the services of a professional fundraiser to secure a successful Lottery Fund bid of £10K to improve parental engagement.

Plans for Future Periods

The Trustees have reviewed performance against the strategic objectives within the Trust Development Plan for 2018/19. The Trust has clear strategic aims built on our mission and core values.

The new three-year Strategic Development Plan covering the period September 2019 to August 2022 sets out the following objectives to ensure that, as a Trust, the public, parents and stakeholders have confidence in this approach.

Over the next three years the Trust aims to:

Increase and enhance the continuum of SEMH support and provision for all stakeholders to meet local need

Through the continued development of Trust provision, our focus is two-fold:

- i. Enhancing the quality of early intervention and prevention (outreach) provision to support mainstream schools to build their capacity to effectively support pupils with SEMH needs to thrive and succeed in their local schools wherever possible;
- ii. Increasing the number and breadth of high-quality alternative provision places to meet the needs of local children and schools, within the holistic continuum of provision for SEMH learners, reducing the need for pupils to be placed out of their local community and local authority.

Develop all academies as recognised centres of excellence in meeting local need

Our academies will continue to be supported to develop areas of expertise that are recognised locally, regionally and nationally. Over time, this will further increase opportunities for the sharing of that expertise to further influence education policy and practice in a wider context.

Maintain a financially viable Trust

Our focus will be sustained on ensuring that the Trust has business arrangements that are efficient and effective to enable it to deliver on its commitments to grow, prosper and deliver value for money across all of our operations by delivering best practice, minimising and managing risk and concentrating the allocation of resources on the front line of our Academies.

Secure meaningful and relevant opportunities for Trust growth.

Following an initial year to establish and consolidate effective policies, systems and practices, Ethos Academy Trust is prepared and ready for growth, with an appetite to develop a 'mixed MAT' comprising both specialist and mainstream settings, to secure greater collaboration and innovation, and to be better able to influence broader education policy and practice.

Adopt and develop a strong People Strategy

As the Trust grows and develops, the introduction and development of a strong People Strategy is essential to attract, develop and retain staff who make an exceptional contribution to the Trust. Staff will be supported and empowered to flourish professionally and will be recognised for outstanding work and contribution. In turn, this will enable staff to provide a first-class education across all settings which will inspire children to achieve their full potential.

The 2019-2022 Strategic Development Plan outlines how the Trust intends to achieve these aims and will be reviewed regularly by Trustees. This will also ensure that resources can be allocated to maximum effect.

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



Victoria Del Giudice
Chair of Trustees
12 December 2019

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the CEO 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 Ethos Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
V Del Giudice (Chair)	4	6
A Absolon	5	6
C Acklam	5	6
G Dewhirst	6	6
J Firth (appointed 15/02/19)	3	3
C Haygarth (appointed 06/12/18)	4	4
A Holmes (resigned 01/11/18)	1	1
M Newby	5	6
S Noble (resigned 06/12/18)	0	1
A Rawson	6	6
R Whitehouse (appointed 06/12/18)	2	4

Key priority areas for the Board this year have included:

- The development of Trust and academy risk registers supported by an effective risk framework;
- The refinement of a data dashboard to report on key performance indicators at Trust and academy level;
- The review and further development of the Trust's mission, core values and strategic development priorities (this included commissioned input and support facilitated by the National Governance Association);
- The approval and implementation of effective Trust-wide policies.

Ethos Academy Trust commissioned an external review of governance at the end of its first year. This concluded: -

'The Board appear to be operating effectively in supporting the CEO and executive team in delivering against the Trust's vision. The make-up of the Board reflects the necessary skills and expertise required to ensure compliance with all statutory requirements, whilst focusing on the delivery of improved outcomes for all students.'

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its remit is to:

- Support the Board of Trustees in fulfilling its corporate governance and oversight responsibilities by providing advice that is independent of management on all items relating the Trust's finance, audit and risk

arrangements and systems of internal control;

- Ensure sound management of the Trust's finances and resources, including planning, monitoring, probity and value for money;
- Advise the Board and Accounting Officer regarding the adequacy and effectiveness of the Trust's internal controls, risk management, governance and value for money systems and frameworks;
- Advise the Board regarding the appointment of auditors and the planned audit approach, as well as considering reports from the internal and external auditors and other bodies and ensuring that actions are taken where required;
- Advise the Board regarding the year-end accounts, strategic matters with financial implications, and other key matters;
- Report to the Board any decisions taken in accordance with the Scheme of Delegation and delegated powers;
- Review health and safety arrangements and processes in confirming compliance with statutory policies and procedures.

Key priority areas of focus have been:

- The development of Trust and academy risk registers supported by an effective risk framework;
- The approval and implementation of finance, risk and health and safety policies and procedures to ensure compliance;

- The development of efficient reporting systems to enable the Board to hold senior leaders effectively to account.

During the year, C Haygarth, who has a background in risk and J Firth, who has a background in health and safety, joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Rawson (Chair)	7	7
V Del Giudice	5	7
G Dewhirst	7	7
J Firth (appointed 15/02/19)	3	3
C Haygarth (appointed 06/12/18)	4	4
A Holmes (resigned 01/11/18)	4	4

The Curriculum and Standards Committee is also a sub-committee of the main Board of Trustees. Its remit is to:

- Support the Board of Trustees in fulfilling statutory duties relating to curriculum, standards and safeguarding;
- Support the Board in understanding the unique context of each academy whilst ensuring a consistent approach to reporting;
- Monitor and advise the Board regarding the performance and standards of the Trust's Academies, with reference to a range of matters, including: the quality of the curriculum, key quantitative and qualitative benchmarks and progress regarding the Academies' Strategic Development Plans.

Key priority areas of focus have been:

- Developing and refining the data dashboard to report on key performance indicators at Trust and academy level;
- Monitoring progress towards the Academies' strategic development plan priorities;
- Oversight of curriculum review and developments;
- Monitoring of implementation of recommendations from safeguarding audits.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Newby (Chair)	5	6
A Absolon	6	6
R Whitehouse (appointed 06/12/18)	2	4

The Pay and Performance Committee is another sub-committee of the main board of Trustees. Its remit is to support the Board of Trustees in fulfilling its corporate governance and oversight responsibilities by:

- Providing advice that is independent of management on all items relating to pay and remuneration of its employees;
- Ensuring compliance with School Teachers' Pay and Conditions, and other related policies and procedures.

Key priority areas of focus have been:

- Refinement and approval of key policies, systems and procedures;
- Development of effective performance management systems for the CEO and Heads.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Acklam (Chair)	2	2
M Newby	0	1
S Noble (resigned 06/12/18)	0	1
A Rawson	1	1
R Whitehouse	1	1

Review of Value for Money

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

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

- Reviewing the contracts register and ensuring that high value contracts follow a detailed tendering exercise;
- Reviewing benchmarking data for similar schools;
- Commissioning an Integrated Curriculum and Financial Planning Review (ICFP);
- Actioning the recommendations of the internal audit Procurement Review;
- Identifying opportunities for internal growth and income generation strategies across the Trust.

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 a process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ethos Academy 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 Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports

which are reviewed and agreed by the board of Trustees;

- Regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Regular reviews by the finance, audit and risk committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of Trustees considered the need for a specific internal audit function and has decided to appoint Saffery Champness as internal auditor for the period 1 September 2018 to 31 August 2019. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of purchase systems;
- Testing of control account/ bank reconciliations;
- Testing of income.

The auditor reports to the board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of

the Board of Trustees' financial responsibilities.

Review of Effectiveness

The accounting officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been assisted by:

- The work of the internal auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- Finance, Audit and risk Committee.

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

Approved by order of the members of the board of Trustees on 12 December 2019 and signed on its behalf by:



Victoria Del Giudice
Chair of Trustees



Jayne Foster
Accounting Officer

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ethos Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Jayne Foster
Accounting Officer
12 December 2019



STATEMENT OF TRUSTEES' RESPONSIBILITY

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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 12 December 2019 and signed on its behalf by:



Victoria Del Giudice
Chair of Trustees



INDEPENDENT AUDITOR'S REPORT

ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ETHOS ACADEMY TRUST

Opinion

We have audited the financial statements of Ethos Academy Trust for the year ended 31 August 2019 which comprise the Statement of Financial Activities, Balance Sheet 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). In our opinion the financial statements:

- Give a true and fair view of the charitable company's state of affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the Companies Act 2006;
- 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 charitable company 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.

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' Annual Report which includes the Directors' Report and the Strategic Report

for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- The Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 set out on page 30, the Trustees (who are also directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act. 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 charitable company's members and the Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Davis
Senior Statutory Auditor

For and on behalf of Saffery Champness LLP, Chartered Accountants, Statutory Auditors, Mitre House, North Park Road, Harrogate HG1 5RX. Date: 17 December 2019

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

INDEPENDENT REPORTING ACCOUNTANT'S REPORT

ON REGULARITY TO THE MEMBERS OF ETHOS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ethos Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Ethos Academy Trust's funding agreement with the Secretary of

State for Education dated 29 August 2018 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

The accounting officer is responsible, under the requirements of Ethos Academy Trust's funding agreement with the Secretary of State for Education dated 29 August 2018 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes

intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy Trust's income and expenditure. The work undertaken to draw to our conclusion includes:

- Risk based sample testing on income and expenditure
- Review of the systems and internal controls in place

- Making appropriate enquiries of the accounting officer

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jonathan Davis
Senior Statutory Auditor

For and on behalf of Saffery Champness LLP Chartered Accountants, Statutory Auditors, Mitre House, North Park Road Harrogate, HG1 5RX

Date: 17 Decemeber 2019



STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000
Income and endowments from:					
Donations and capital grants	3	10	-	113	123
Transfer from local authority on conversion	3/27	655	(1,572)	3,403	2,486
Charitable activities:					
Funding for the academy trust's educational operations	4	-	5,860	-	5,860
Other trading activities	5	95	-	-	95
Investments	6	2	-	-	2
Total		762	4,288	3,516	8,566
Expenditure on:					
Raising funds	7	50	-	-	50
Charitable activities:					
Academy trust educational operations	8	-	6,020	90	6,110
Total		50	6,020	90	6,160
Net income / (expenditure)		712	(1,732)	3,426	2,406
Transfers between funds	17	-	(127)	127	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	17,25	-	(1,305)	-	(1,305)
Net movement in funds		712	(3,164)	3,553	1,101
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		712	(3,164)	3,553	1,101

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £000	2019 £000
Fixed assets			
Tangible assets	13		3,553
Current assets			
Debtors	15	237	
Cash at bank and in hand		1,062	
		<u>1,299</u>	
Liabilities			
Creditors: Amounts falling due within one year	16	(430)	
Net current assets			<u>869</u>
Total assets less current liabilities			<u>4,422</u>
Creditors: Amounts falling due after more than one year	16		-
Net assets excluding pension liability			<u>4,422</u>
Defined benefit pension scheme liability	25		(3,321)
Total assets			<u>1,101</u>
Funds of the academy trust:			
Restricted funds			
. Fixed asset fund	17	3,553	
. Restricted income fund	17	157	
. Pension reserve	17	(3,321)	
Total restricted funds			<u>389</u>
Unrestricted income funds	17		<u>712</u>
Total funds			<u>1,101</u>

The financial statements on pages 38 to 70 were approved by the Trustees and authorised for issue on 12 December 2019 and are signed on their behalf by



Victoria Del Giudice
Chair of Trustees

STATEMENT OF CASH FLOWS

AS AT 31 AUGUST 2019

	Notes	2019 £000
Cash flows from operating activities		
Net cash provided by (used in) operating activities	20	1,187
Cash flows from investing activities	22	(125)
Cash flows from financing activities	21	-
Change in cash and cash equivalents in the reporting period		<u>1,062</u>
Cash and cash equivalents at 1 September 2018		-
Cash and cash equivalents at the 31 August 2019	23	<u>1,062</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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 Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Conversion to an Academy Trust

The conversion from a state-maintained school to an academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Ethos College, Reach Academy (formerly Westfields Pupil Referral Service) and Engage Academy (formerly Primary Pupil Referral Service) to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

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 academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued. General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship Income

Sponsorship income provided to the Academy 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 academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold.

This income is recognised within 'Income from other trading activities'.

Transfer on conversion

Where assets and liabilities are received by the academy Trust on conversion to an academy, the transferred 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 academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy Trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are

made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on Raising Funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

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 unrestricted fund.

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

- Long-Leasehold Land 125 years
- Long-Leasehold Buildings 50 years
- Fixtures and Fittings 10 years
- Equipment 10 years
- Computer Equipment 4 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

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

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of 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.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect

of income or capital gains received within categories covered by 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent

term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy Trust was not subject to a limit at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000
Capital Grants	-	113	113
Donated - transfer from LA on conversion	655	(1572)	(917)
Donated fixed assets	-	3,403	3,403
Donations	10	-	10
	<u>665</u>	<u>1,944</u>	<u>2,609</u>

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000
DfE / EFA grants			
. General Annual Grant (GAG)	-	1,040	1,040
. Start Up Grants	-	-	-
. Other DfE/EFA grants	-	120	120
	<u>-</u>	<u>1,160</u>	<u>1,160</u>
Other Government grants			
. Local authority grants	-	4,700	4,700
	<u>-</u>	<u>4,700</u>	<u>4,700</u>
Other income from the academy trust's educational operations	-	-	-
	<u>-</u>	<u>5,860</u>	<u>5,860</u>

5 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000
Supply insurance reimbursement	4	-	4
Staff consultancy	5	-	5
Recharges to schools	26	-	26
Other income	60	-	60
	95	-	95

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000
Short term deposits	2	-	2
	2	-	2



7 Expenditure

	Staff Costs	Non-Pay Expenditure		Total
	£000	Premises £000	Other £000	2019 £000
Expenditure on raising funds	50	-	-	50
Academy's educational operations:				
. Direct costs	4,189	-	177	4,366
. Allocated support costs	337	267	1,140	1,744
	4,576	267	1,317	6,160

Net income/(expenditure) for the period includes:

	2019 £000
Operating lease rentals	29
Depreciation	90
(Gain)/loss on disposal of fixed assets	-
Fees payable to auditor for:	
- audit	14
- other services	8



8 Charitable Activities

	Total 2019 £000
Direct costs - educational operations	4,366
Support costs - educational operations	1,744
	<u>6,110</u>

Analysis of support costs

	Educational operations £000	Total 2019 £000
Support staff costs	337	337
Depreciation	73	73
Technology costs	38	38
Premises costs	195	195
Other support costs	1,060	1,060
Governance costs	41	41
Total support costs	<u>1,744</u>	<u>1,744</u>

9 Staff

a Staff costs

Staff costs during the period were:

	Total 2019 £000
Wages and salaries	2,918
Social security costs	278
Operating costs of defined benefit pension schemes	445
	<u>3,641</u>
Agency staff costs	935
Staff restructuring costs	-
	<u>4,576</u>

b Non-statutory/non-contractual staff severance payments

There were no non-statutory/non-contractual severance payments made by the Trust during the period.

c Staff numbers

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

	2019
	No.
Teachers	25
Administration and support	76
Management	5
	<hr/>
	106 <hr/>

Given the nature of our Trust, included in administration and support staff are 62 classroom-based support staff.

d Higher paid staff

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

	2019
	No.
£60,001 - £70,000	1
£70,001 - £80,000	1
£80,001 - £90,000	-
£90,001 - £100,000	1

e Key management personnel

The key management personnel of the academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy Trust was £377,047.

10 Related Party Transactions - Trustees' Remuneration and Expenses

No Trustees have been paid remuneration or received other benefits from an employment with the academy Trust.

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2019 was £2,187. The cost of this insurance is included in the total insurance cost.

12 Central Services

The Trust has provided the following central services to its academies during the year:

- Financial services
- Human resources
- Audit and compliance
- Property Services
- School improvement
- Governance
- Marketing

The central charge was made on the following basis: -

- From 1/9/2018 - 31/3/2019 3.5% of GAG and LA top up funding

- From 1/4/2019 to 31/8/2019 4.5% of GAG and LA top up funding

The charges made for the year were as follows:

	2019
	£000
Ethos College	78
Reach Academy	72
Engage Academy	37
	<u>187</u>

13 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
Cost				
At 1 September 2018	-	-	-	-
Donated on conversion	3,233	122	48	3,403
Additions	49	145	46	240
Disposals	-	-	-	-
At 31 August 2019	<u>3,282</u>	<u>267</u>	<u>94</u>	<u>3,643</u>
Depreciation				
At 1 September 2018	-	-	-	-
Charged in year	58	15	17	90
Disposals	-	-	-	-
At 31 August 2019	<u>58</u>	<u>15</u>	<u>17</u>	<u>90</u>
Net book values				
At 31 August 2018	-	-	-	-
At 31 August 2019	<u>3,224</u>	<u>252</u>	<u>77</u>	<u>3,553</u>

14 Stock

The Trust was not holding any stock as at 31 August 2019.

15 Debtors

	2019
	£000
Trade debtors	100
VAT recoverable	91
Other debtors	1
Prepayments and accrued income	45
	<u>237</u>

16 Creditors: Amounts Falling due within one year

	2019
	£000
Trade creditors	178
Other taxation and social security	67
Other creditors	57
Accruals and deferred income	128
	<u>430</u>
Deferred income	2019
	£000
Deferred income at 1 September 2018	-
Resources deferred in the year	86
Deferred Income at 31 August 2019	<u>86</u>

At the balance sheet date, the academy Trust was holding funds of £86K received in advance for primary Outreach staff for 2019/20 and funding for pupil transport for Ethos College for 2019/20.

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)	-	1,040	(1,040)	-	-
Start Up Grant	-	-	-	-	-
Other DfE/EFA grants	-	21	(21)	-	-
Other grants	-	4,799	(4,515)	(127)	157
Pension reserve	-	(1,572)	(444)	(1,305)	(3,321)
	-	4,288	(6,020)	(1,432)	(3,164)
Restricted fixed asset funds					
Transfer on conversion	-	3,403	(90)	-	3,313
DfE/EFA capital grants	-	80	-	-	80
LA Capital Grants	-	33	-	-	33
Capital expenditure from GAG	-	-	-	127	127
	-	3,516	(90)	127	3,553
Total restricted funds	-	7,804	(6,110)	(1,305)	389
Total funds unrestricted	-	762	(50)	-	712
Total funds	-	8,566	(6,160)	(1,305)	1,101

- 17 The specific purposes for which the funds are to be applied are as follows:
- Restricted funds are received from the ESFA and the LA for the Trusts day to day operations
 - Unrestricted funds are made up of cash transfers from the Local Authority on conversion and school generated income
 - Fixed asset funds include donated assets from the Local Authority on conversion plus any capital grants
 - Transfers between funds relate to the use of revenue funds to support capital expenditure

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:	Total
	2019
	£000
Ethos College	615
Reach Academy	8
Engage Academy	217
Central services	29
Total before fixed assets and pension reserve	<u>869</u>
Restricted fixed asset fund	3,553
Pension reserve	(3,321)
Total	<u>1,101</u>

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2019 £000
Ethos College	1,688	93	71	298	2,150
Reach Academy	1,664	71	51	444	2,230
Engage Academy	802	41	32	245	1,120
Central services Academy Trust	85	132	6	347	570
	4,239	337	160	1,334	6,070

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	3,553	3,553
Current assets	806	482	11	1,299
Current liabilities	(94)	(325)	(11)	(430)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(3,321)	-	(3,321)
Total net assets	712	(3,164)	3,553	1,101

19 Commitments under operating leases

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

	2019
	£000
Amounts due within one year	23
Amounts due between one and five years	8
Amounts due after five years	-
	<u>31</u>

20 Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities

	2019
	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,406
Adjusted for:	
Donation of fixed assets from LA	(3,403)
Depreciation charges (note 13)	90
Capital grants from DfE and other capital income	(113)
Interest receivable (note 6)	(2)
Defined benefit pension scheme obligation inherited	1,572
Defined benefit pension scheme cost less contributions payable (note 25)	404
Defined benefit pension scheme finance cost (note 25)	40
(Increase)/decrease in debtors	(237)
Increase/(decrease) in creditors	430
Net cash provided by / (used in) Operating Activities	<u>1,187</u>

21	Cash Flows from Financing Activities	2019
		£000
	Repayments of borrowing	-
	Cash inflows from new borrowing	-
	Net cash provided by / (used in) financing activities	-

22	Cash Flows from Investing Activities	2019
		£000
	Dividends, interest and rents from investments	2
	Proceeds from sale of tangible fixed assets	-
	Purchase of tangible fixed assets	(240)
	Capital grants from DfE/EFA	80
	Capital funding received from sponsors and others	33
	Net cash provided by / (used in) investing activities	(125)

23	Analysis cash and cash equivalents	At 31
		August
		2019
		£000
	Cash in hand and at bank	1,062
	Notice deposits (less than 3 months)	-
	Total cash and cash equivalents	1,062

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.

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £57,000 were payable to the schemes at 31 August 2019 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. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- i. employer contribution rates set at 23.68% % of pensionable pay (including a 0.08% employer administration charge

-
- ii. total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
 - iii. an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
 - iv. the assumed real rate of return is 2.4% % in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the period amounted to £207,000

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

www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee- administered funds. The total contribution made for the year ended 31 August 2019 was £335,000, of which employer's contributions totalled £239,000 and employees' contributions totalled £96,000. The agreed contribution rates for future years are 15 per cent for employers and between 5.5 and 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy Trust 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	2019	2018
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.00%	2.00%
Commutation of pensions to lump sums	75.00%	75.00%

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

	2019
<i>Retiring today</i>	
Males	22.2
Females	25.4
<i>Retiring in 20 years</i>	
Males	23.2
Females	27.2

Sensitivity analysis	2019
	£000
Discount rate +0.1%	6,740
Discount rate -0.1%	7,082
Mortality assumption - 1 year increase	6,684
Mortality assumption - 1 year decrease	7,136
CPI rate +0.1%	6,975
CPI rate -0.1%	6,843

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

	2019
	£000
Equities	2,785
Gilts	377
Corporate bonds	161
Property	158
Cash and other liquid assets	68
Derivatives	-
Other	39

Total market value of assets at 31 August 2019 **3,588**

The actual return on scheme assets was £153,000.

Amount recognised in the Statement of Financial Activities	2018/19
Current service cost	£000
Past service cost	(466)
Interest income	(177)
Employer contributions	239
Interest cost	90
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-
Admin expenses	-
Total amount recognised in the SOFA	(444)

Changes in the present value of defined benefit obligations were as follows:	2018/19
	£000
At 1 September	-
Conversion of academy trusts	4,575
Transferred in on existing academies joining the academy trust	-
Transferred out on existing academies leaving the academy trust	-
Current service cost	466
Interest cost	130
Employee contributions	96
Actuarial (gain)/loss	1,368
Benefits paid	97
Losses or gains on curtailments	-
Past service cost	177
Unfunded pension payments	-
Effect of non-routine settlements	
At 31 August	6,909

Changes in the fair value of academy trust's share of scheme assets:	2018/19
	£000
At 1 September	-
Conversion of academy trusts	3,003
Transferred in on existing academies joining the academy trust	-
Transferred out on existing academies leaving the academy trust	-
Interest income	90
Actuarial gain/(loss)	63
Employer contributions	96
Employee contributions	239
Benefits paid	96
Effect of non-routine settlements	-
At 31 August	3,588

26 Related Party Transactions

Owing to the nature of the academy 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 AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy 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.

Expenditure Related Party Transactions

South Pennine Academies Trust

£600 purchases of HR support. C Acklam is a Trustee of both Ethos Academy Trust and South Pennine Academies Trust.

Upper Batley High School

£260 purchases (£100 independent review panel claim, £160 asbestos training).

Batley Girls High School

£91 purchases (meeting costs). G Hughes is a Member of Ethos Academy Trust and Deputy Head of Batley Girls High School.

Ginger Pickles

£1,109 purchases (labour and materials). Ginger Pickles is the business of the spouse of C Dawson, a teacher and member of SLT at Engage Academy.

Income Related Party Transactions

Upper Batley High School

£105 sales (exam fees) from Upper Batley High School which remains outstanding in debtors at year end. A Megahy is a Member of Ethos Academy Trust and Vice-Chair of Governors of Upper Batley High School.

27 Conversion to an Academy Trust

On 1 September 2018 Ethos College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ethos Academy Trust Ltd from the Kirklees Local Authority for £nil consideration. The transfer has been accounted for as a gift. The assets and liabilities transferred were

valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Leasehold land and buildings	-	-	693	693
· Other tangible fixed assets	-	-	91	91
Budget surplus / (deficit) on LA funds	435	-	-	435
Budget surplus / (deficit) on other school funds	-	-	-	-
LGPS pension surplus / (deficit)	-	-	-	-
Borrowing obligations	-	-	-	-
Net assets	435	-	784	1,219

The leasehold for land and buildings is on a 125-year lease with Kirklees Council.

On 1 September 2018 Westfields Pupil Referral Service converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ethos Academy Trust Ltd from the Kirklees Local Authority for £nil consideration.

The transfer has been accounted for as a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Leasehold land and buildings	-	-	2,060	2,060
· Other tangible fixed assets	-	-	43	43
Budget surplus / (deficit) on LA funds	49	-	-	49
Budget surplus / (deficit) on other school funds	-	-	-	-
LGPS pension surplus / (deficit)	-	-	-	-
Borrowing obligations	-	-	-	-
Net assets	49	-	2,103	2,152

The leasehold for land and buildings is on a 125-year lease with Kirklees Council.

On 1 September 2018 Primary Pupil Referral Service converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ethos Academy Trust Ltd from the Kirklees Local Authority for £nil consideration.

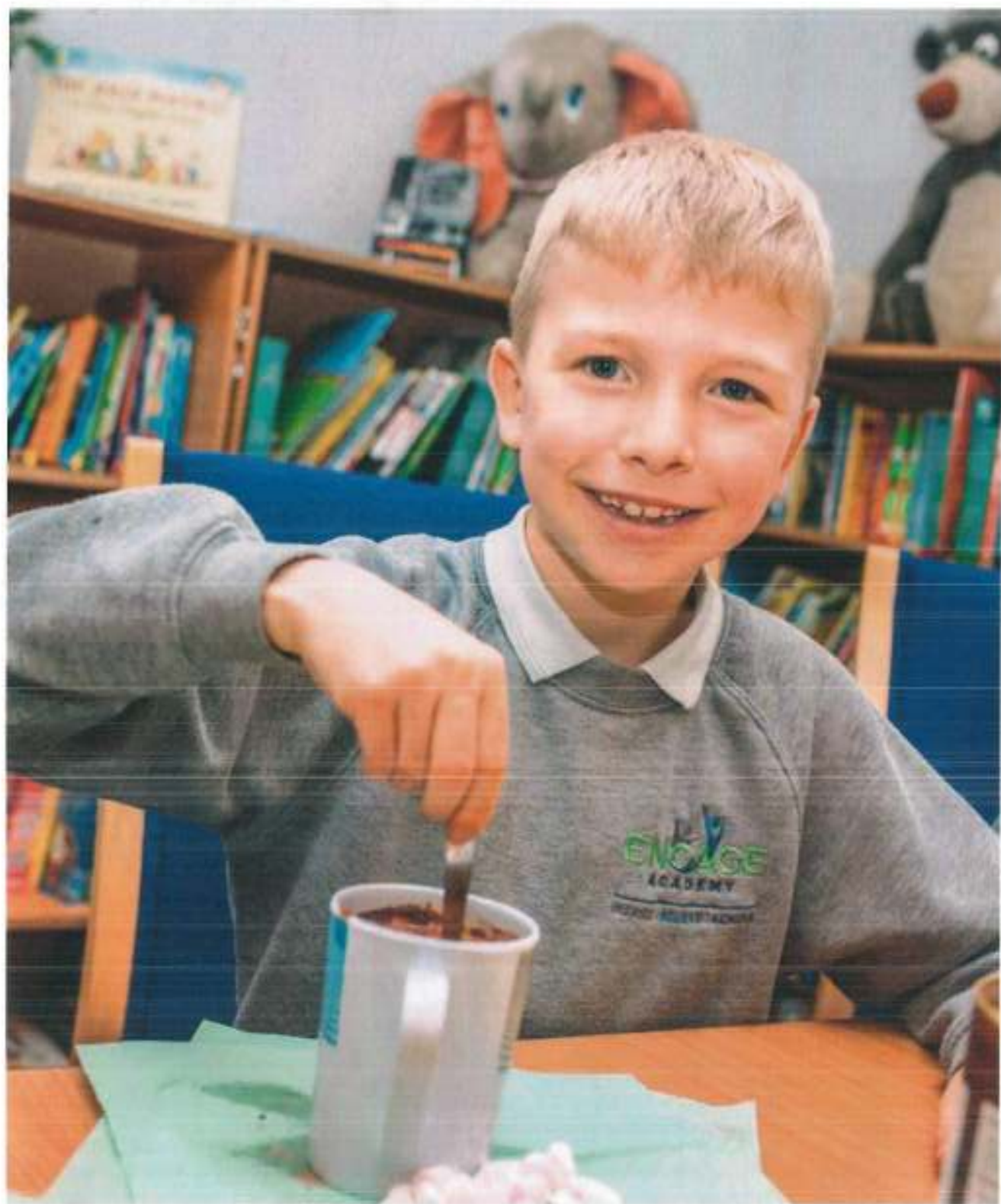
The transfer has been accounted for as a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Leasehold land and buildings	-	-	480	480
· Other tangible fixed assets	-	-	36	36
Budget surplus / (deficit) on LA funds	171	-	-	171
Budget surplus / (deficit) on other school funds	-	-	-	-
LGPS pension surplus / (deficit)	-	-	-	-
Borrowing obligations	-	-	-	-
Net assets	171	-	516	687

The leasehold for land and buildings is on a 125-year lease with Kirklees Council.

The LGPS pension deficit on conversion for the three schools collectively was calculated as £1.572K and is included in the SOFA.





ETHOS
ACADEMY TRUST

Nurturing inclusive learning communities

Ethos Academy Trust
Reach Academy
Field Hill Centre
Batley Field Hill
West Yorkshire
WF17 0BQ
