


Ethos Academy Trust

Annual Report and Financial Statements Year ended 31 August 2020

A Company Limited by Guarantee

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ETHOS
ACADEMY TRUST

Nurturing inclusive learning communities

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REFERENCE & ADMINISTRATIVE DETAILS

Members

V Del Giudice - Chair
G Hughes
A Megahy
B Tullie

Trustees

A Absolon
C Acklam
K Bennett - appointed 02.11.2020
V Del Giudice (Chair)
G Dewhirst
C Haygarth – resigned 23.10.2020
R Whitehouse
G Cox – appointed 01.09.20
M Newby – resigned 31.12.2019
A Rawson – resigned 11.09.2020
D Tandy - appointed 02.11.2020

Company Secretary

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

Senior Management Team

CEO
CFO
Head Teacher – Engage Academy
Head Teacher – Ethos College
Head Teacher – Reach Academy

Jayne Foster
Tracy Jackson
Alison Ward
Rebecca Smith
Martin Ridge until 19.04.2020
Hannah Lord from 20.04.2020

Company Name

Ethos Academy Trust

Principal and Registered Office

c/o Reach Academy
Batley Field Hill
Batley
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
5 Gresham Street
London
EC2 7HN

Solicitors

Stone King LLP
One Park Row
Leeds
LS1 5HN

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2019 to 31 August 2020. 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. It also operated the Council wide medical teaching service and outreach service. Its academies had a combined pupil capacity of 129 (full time equivalent places) and in the school census in January 2020 had a roll of 134.

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 1.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, Ethos Academy Trust has 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 the 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 six times during 2019-20. 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 2019-20:



As at 31.08.2020, there were 7 Trustees in post out of a possible maximum of 11. (The minimum requirement is 3 Trustees).

Marcus Newby resigned as a Trustee on 31.12.2019.

As at 31.08.2020, there were 4 Members in post out of a possible maximum of 7. (The minimum requirement is 3 Members. The maximum of 7 is not a target nor an expectation).

Arrangements for setting pay and remuneration of key management personnel

The Trust has a robust strategy for the scrutiny of staff performance and remuneration. All teachers, including head teachers, are paid in accordance with the School Teachers' Pay and Conditions document.

Performance Management of the CEO and Head Teachers is carried out by a subcommittee of Trustees, including an external adviser. Pay recommendations are then taken to the Trustees' Pay and Performance Committee. Central Trust senior leaders are directly line managed by the CEO.

Teachers and support staff progress through their relevant pay scales subject to successful performance in their role. The CEO audits performance management documentation and remuneration decisions made at individual academy level to monitor equity of approach across the Trust.

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 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	£3,389,147
The percentage of the total pay bill spent on facility time, calculated as: $(\text{total cost of facility time} \div \text{total pay bill}) \times 100$	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: $(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$	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 will occasionally 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 occurred in the 2019/20 financial year: -

Batley Girls High School

£1,357 sales (recharge for supply member of staff to support an educational initiative).

G Hughes is a Member of Ethos Academy Trust and Deputy Head of Batley Girls High School.

B Tullie is a Member of Ethos Academy Trust and a Member of Batley MAT.

Upper Batley High

£271.80 purchase (hire of training space and refreshments).

Alastair Megahy is a Member of Ethos Academy Trust and Chair of Governors at Upper Batley High School.

B Tullie is a Member of Ethos Academy Trust and a Member of Batley MAT.

Field Lane Junior and Infant School

£100 purchase (provision of expert on exclusion panel)

B Tullie is a Member of Ethos Academy Trust and a Member of Batley MAT.

D & K Decor Services

£540 purchase (decorating services).

D & K Decor services employs the father of R Smith who is Headteacher at Ethos College.

Moor End Academy

£2,519.89 sales (recharge for supply member of staff to support an educational initiative and charge for staff attendance at a Governors Disciplinary Committee meeting).

C Acklam is a Trustee of both Ethos Academy Trust and South Pennine Academies Trust, of which Moorend Academy is a member school.

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 2019-20 were:

Objective 1	Increase and enhance the continuum of SEMH support and provision for all stakeholders to meet local need.
Objective 2	Develop all academies as recognised centres of excellence in meeting local need.
Objective 3	Maintain a financially viable trust.
Objective 4	Secure meaningful and relevant opportunities for Trust growth.
Objective 5	Adopt and develop a strong People Strategy.

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

- Local partnerships further developed including the provision of regular support to independent Alternative Provisions throughout lockdown.
- Increased involvement of senior leaders in regional and national events to raise the profile of high-quality AP.
- Refined outreach provision offer to ensure more strategic targeting of support to the highest level of need.
- All academies redefined its offering during the summer term to ensure full time provision was available for all key worker and vulnerable pupils and remote learning was supported for those remaining at home.
- The wider reopening of academies in June 2020 resulted in an increased and continuing focus on the following operational priorities across all academies:

Teaching and Whole School Strategies

- Re-establishing teaching routines / classroom interactions.
- Individual responses to the shared experience of lockdown.
- Confidence building / re-engagement in learning.
- Baseline assessments – focussed on assessment of learning and SEMH needs to inform provision / additional catch-up / intervention support.
- Personalised support for pupils transitioning from / to our academies (including virtual school visits and bespoke induction groups, where applicable, for new pupils).

Targeted Support

- Structured interventions delivered one to one or in small groups. A particular focus for interventions on oracy, literacy, numeracy and mental health.
- Regular assessments to measure the impact of interventions / inform next steps.
- Sustained / increased focus on multi-agency approaches to support pupils and their families.

Wider Strategies

- Sustained regular and supportive communications with parents / carers, especially to increase attendance and engagement with learning.
- Mentoring support during the summer holidays and autumn term for Year 11s to prepare for post-16 transition.

- Sustained focus on wellbeing of staff (aligned to the People Strategy within the Trust Strategic Development Plan).
- Further development of ICT infrastructure and resources to support longer term new ways of working.
- Ongoing need for the development of online content / resources to support pupils who may need to self-isolate (and in preparation for a potential second wave of the virus).

Objective 2 - Develop all academies as recognised centres of excellence in meeting local need.

- All three academies began collaboration to secure Mental Health in Schools Award during 2020/21.
- Reach Academy sustained Flagship Status from the Inclusion Quality Mark.
- A successful professional development programme for all staff ran throughout 2019-20 (including during lockdown).
- Reporting and quality assurance cycle calendar developed and implemented.
- All academies evidenced strong outcomes, aligned to the sustained and significant impact of key development priorities up until lockdown.
- The Covid-19 pandemic had a significant impact on pupil attendance, but not on the dedication and efforts made by staff to ensure that pupils identified in the vulnerable or key worker groups were offered full-time provision, whilst all other pupils and families were supported with remote learning, alongside wide-ranging personalized pastoral support.
- Academy senior leaders contributed to and led on strategic areas of development across Academies to share expertise and build capacity.
- External reviews were postponed due to Covid-19.
- Preparations for Ofsted inspections during 2020/21.

Objective 3 - Maintain a financially viable trust.

- Scalable leadership and School Improvement model secured and in place.
- Chief Operations Officer and HR Manager increased capacity and expertise of Central Team, with further Central Team appointments secured in readiness for 2020/21.
- Growth strategy and plan refined in readiness for future growth opportunities.
- Two CIF bids submitted and approved for Reach Academy, with resulting capital works underway on roof, fire safety and the hall.
- Detailed and robust capital strategy developed and implemented.
- Small grants successfully secured by all three academies.
- Some opportunities for income generation were delayed due to the pandemic.
- Covid 19 caused extensive operational issues for the Trust and necessitated additional investment to ensure that the buildings were suitable to manage the implications of the pandemic. However, cost savings were made on some services that did not have a long-term contract in place and were therefore not covered by the governments PPN notice 02/20 and 04/20. The net savings amounted to £99K over the financial year.
- As part of the capital plan, the Trust has recently invested in ICT equipment, including laptops which *ensured* that online learning could be delivered where needed during the Covid 19 partial closure.

Objective 4 - Secure meaningful and relevant opportunities for Trust growth.

- Service Level Agreement secured with a neighbouring local authority to provide school improvement support and additional leadership capacity within two Pupil Referral Units. Some elements of support scheduled for the summer term were delayed by one term due to the pandemic.
- Approval from DfE secured to progress with the sponsorship of The Priory Centre.
- Robust due diligence and onboarding processes developed in readiness for growth.

Objective 5 - Adopt and develop a strong People Strategy.

- Enhanced wellbeing offer developed throughout the year in partnership with all stakeholders.
- Systems developed and implemented for recognising outstanding performance and contribution of staff.
- Robust induction processes introduced for all new employees.
- Enhanced communications strategy developed to support stakeholders to continue to feel connected and supported throughout lockdown.

All three academies had a successful year, as summarised below:

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. 50% of pupils gained 5 or more GCSEs 9-1 (A*-G) or equivalent in 2109/20. 54% of the cohort achieved English and Maths (9-4), an increase of 21%. Whilst there is a clear (and narrowing) 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 2019-2020	Ethos College 2018-2019	Ethos College 2017-2018	National AP Data 2018 - 2019*	National Mainstream 2018-19*
Number of Year 11 pupils	44	40	47	9,812	531,871
Average Total Attainment 8 ²	20.02	16.56	17.54	6.8	47.6
Attainment 8 Average Boys	17.14	14.32	10.71	-	44.0
Attainment 8 Average Girls	22.19	19.59	24.67	-	49.5
Progress 8 Score ³	-2.13	-2.20	-2.07	-3.11	0.0
5 or more 9-4 (A* - C) including English and Maths	21.0%	7.5%	19.0%	-	-
5 or more 9-1 (A* - G) including English and Maths	36.0%	28.0%	26.0%	-	-
5 or more GCSEs 9-4 (A*-C) or their equivalent	25.0%	20.0%	21.0%	-	-
5 or more GCSEs 9-1 (A*-G) or their equivalent	50.0%	58.0%	53.0%	-	-
At least 1 GCSE 9 - 4 (A*-C) or equivalent	75.0%	55.0%	68.0%	-	-
At least 1 GCSE 9 - 1 (A*-G) or equivalent	93.0%	95.0%	96.0%	58.1%	99.0%
9 - 4 (A* - C) in English and Maths GCSE	54.0%	33.0%	28.0%	4.5%	65.9%

*Source: DFE KS4 Performance Data 2019 Revised (published 06/02/2020)

The majority of pupils achieved rapid and sustained improvements in comparison to pre-referral data. The average value-added attendance figure pre-lockdown was 31.01% for PRU-based pupils, with a 29.27% reduction in persistent absence. Leaders and staff have successfully generated a culture of high aspiration that is 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. 87% of pupils made at least expected progress in English (12% accelerated progress) and 92% of pupils made at

least expected progress in maths (21% 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 2020/21.

The majority of pupils achieved rapid and sustained improvements in attendance comparison to pre-referral data, securing an overall average value-added attendance figure pre-lockdown of 10.25%. A newly appointed Head Teacher has skilfully driven developments since taking up post in April 2020 and, in partnership with key stakeholders, has developed a compelling vision for the school.

Engage Academy:

77% of pupils made at least expected progress in reading (37% accelerated progress) and 67% of pupils made at least expected progress in writing (30% accelerated progress). In Maths 81% of pupils made expected progress, with 30% making accelerated progress.

The majority of pupils achieved rapid and sustained improvements in attendance comparison to pre-referral data, securing an overall average value-added attendance figure pre-lockdown of 24.96% of PRU pupils (a 6.58% improvement from 2018/19). The strong staff team continue to be motivated and united with the leadership team in making this *academy the best it can be*.

Key Performance Indicators

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

Financial

Financial solvency: three-year financial plans are realistic, robust and do not produce a deficit financial position.

Financial Probity: 0 red flags.

Leadership and Governance

Strong central team with capacity to support all academies.

Three Year Trust Development Plan on track.

The Trust manages risk effectively, maintaining and reviewing regularly an accurate and detailed risk register.

Growth in pupil numbers, physical expansion and / or new schools (free schools / convertors).

100% skills coverage at Board Level.

Academy Standards

% Good / Outstanding Academies.

Attendance and PA measures: rapid and sustained improvements in all academies.

SEMH and academic progress and outcomes strong in all academies.

HR

Termly improvements in staff attendance progressing towards 95% or above.

Development and retention of high-quality staff: effective succession planning.

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

The Trustees acknowledge that these financial statements are being approved during the Covid-19 pandemic. They recognise that this will continue to bring uncertainty and risk to the Trust during the next 12 months, some of which cannot be planned for. In the immediate future the Trustees also recognise that there will undoubtedly be unpredictable and unbudgeted costs and reduced income as a result of Covid. However, the strong cash balances, asset base and reserves position held mean that the Trust is sustainable in the longer term.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 second year of operation for Ethos Academy Trust. The accounts show a £200K surplus (2019: £869) (excluding fixed asset spend and pension actuarial adjustment). 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 FY21/22. The Trust has plans to utilise reserves to deliver its 5-year capital plan.

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 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 £1,068K (2019: £869K) of restricted and unrestricted reserves, made up of unrestricted reserves of £793K (2019: £712K) and restricted reserves of £275K (2019: £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 as identified in the detailed capital plan 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. In addition, the Trust set up a separate Risk register to manage the impact and effects of Covid 19 to the Trust. The main areas of risk identified in the latest risk register are: -

- Impact of staff or pupils contracting Covid 19;
- Loss of key roles for a significant period; and
- Impact of major capital works being undertaken at one of the sites.

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

- Risk assessments in place to manage all scenarios. DfE and LA *advice* followed and attendance at weekly LA updates.
- New central structure in place with additional roles to provide increased resilience in the event of staff absence and position the Trust for future growth. Vice Chair appointed to the Board.
- Project risk register in place for capital works. Regular meetings undertaken with contractor, project manager and key staff.

Fundraising

The Trust adds 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.

In addition, in 2019/20, the Trust successfully applied for a number of small grants for specific projects, including breakfast clubs, outdoor activities and science projects. The Trust did not engage the services of any professional fundraisers for the 2019/20 financial year.

Plans for Future Periods

The Trustees have reviewed performance against the strategic objectives within the Trust Development Plan for 2019/20. The Trust has clear strategic aims built on our mission and core values.

The new three-year Strategic Development Plan covering the period September 2020 to August 2023 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:

- **Manage the effective return to full time education provision for all staff and pupils post-Covid.**

The importance of personalising the Trust's approach to meeting individual need is greater than ever. The return to full time education provision requires increased flexibility and contingency planning in responding to the challenges arising from the pandemic in order to ensure that pupils are supported to fulfil their potential academically, socially and emotionally.

- **Secure meaningful and relevant opportunities for Trust growth, increasing and enhancing the continuum of SEMH support and provision.**

Ethos Academy Trust is effectively prepared and ready for growth, with an appetite to secure greater collaboration and innovation, and to be better able to influence broader education policy and practice. The 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.**

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

- **Adopt and develop a strong People Strategy.**

As the Trust grows and develops, the development of a strong People Strategy is essential from the perspective of attracting, developing and retaining 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 enable children to achieve their full potential.

The 2020-2023 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 10 December 2020 and signed on the board's behalf by:



Victoria Del Giudice

Chair of Trustees

10 December 2020

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 are implemented 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:

The Board of Trustees met six times between 1 September 2019 and 31 August 2020.

Trustees	No. of meetings attended	Out of a possible
A Absolon	4	6
C Acklam	4	6
V Del Giudice (chair)	5	6
G Dewhirst	6	6
C Haygarth	4	6
R Whitehouse	6	6
M Newby	1	2*
A Rawson	1	6

*resigned during academic year

Key priority areas for the Board this year have included:

- development of a growth strategy, leading to securing meaningful and relevant opportunities for growth;
- review of Central Team structure in readiness for growth;
- continued review and implementation of effective Trust-wide policies; and
- monitoring of the impact of Covid-19 on all stakeholders and systems and planning for the wider reopening of schools.

Ethos Academy Trust commissioned an external review of governance during autumn 2019. 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 Trust has implemented the recommendations from the external review and continues to undertake an Internal annual review each autumn, ensuring any recommendations form an action plan to ensure continuous improvement.

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;
- oversee the Trust's risk management strategy, ensuring that it is fit for purpose and the appropriate mitigation is in place; and
- review Trust risk and health and safety arrangements and processes in confirming compliance with statutory policies and procedures.

Key priority areas of focus have been:

- Establish a comprehensive and fully costed 5-year capital plan and ensure its affordability;
- Refine the financial forecast and management account reporting to facilitate timely and effective decision making; and
- Devise and oversee a robust internal audit program to ensure that risks to the organisation were being effectively managed.

The Finance, Audit and Risk Committee met four times between 1 September 2019 and 31 August 2020.

Trustees	No. of meetings attended	Out of a possible
V Del Giudice	4	4
G Dewhurst	4	4
C Haygarth	4	4
A Rawson (Chair)	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; and
- 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 for the Curriculum and Standards Committee have been:

- oversight of the implementation of new curriculum models aligned to Trust core values;
- further refining the data dashboard to report on key performance indicators at Trust and academy level;
- monitoring progress towards the Academies' strategic development plan priorities;
- sustained monitoring of safeguarding data and safeguarding audit recommendations; and
- monitoring the impact of Covid-19 on safeguarding, pupil wellbeing, SEMH needs and academic progress.

The Curriculum and Standards Committee met three times between 1 September 2019 and 31 August 2020.

Trustees	No. of meetings attended	Out of a possible
A Absolon	3	3
R Whitehouse	2	2**
M Newby	1	1*

*resigned during academic year

**replaced M Newby during academic year

Note: M Newby was the Chair up until his resignation after which this role was shared by A Absolon and R Whitehouse.

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; and
- ensuring compliance with School Teachers Terms 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;
- ensuring the Trust is meeting statutory and good practice reporting obligations; and
- Development of efficient reporting systems in order to hold Trust senior leaders to account (i.e. absence reporting figures).

The Pay and Performance Committee met twice between 1 September 2019 and 31 August 2020.

Trustees	No. of meetings attended	Out of a possible
C Acklam (Chair)	1	2
G Dewhirst	1	1**
R Whitehouse	1	2
M Newby	1	1*

*resigned during academic year

**attended as a one-off to ensure quoracy

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 or use approved government frameworks;
- reviewing benchmarking data for similar schools;
- undertaking an Integrated Curriculum and Financial Planning Review (ICFP);
- making use of the Schools Resource Management tools;
- actioning the recommendations of the internal audit Procurement Review; and
- identifying opportunities for internal growth and income generation strategies across the Trust.

Covid 19 and the subsequent partial closure of schools has resulted in the Trust honouring a small number of contracts under PPN 02/20 and PPN 04/20 where the Trust was received either a reduced service or no service. These were: -

- supply agency contracts
- catering contracts
- cleaning contracts

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

The 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 monthly financial reports with variance analysis which are reviewed by the board of Trustees;
- regular reviews by Finance, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- reviewing and challenging benchmarking data
- 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 decided to appoint Wheawill and Sudworth as internal auditor for the period 1 September 2019 to 31 August 2020.

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 procurement systems, particularly governing supply teachers and transport provision for pupils;
- testing of payroll system and staff contracts; and
- testing of risk management and continuity planning.

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 and annually prepare a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The auditors have delivered their schedule of work as planned

No instances of a material failure in any area were identified. A small number of areas for potential failure were highlighted and the Senior Management Team have responded with their proposals to address these concerns. Generally, the internal audit work confirmed the satisfactory application of systems and controls in the areas reviewed based on the sample testing undertaken.

A programme of internal audit work for 2020/21 is currently being constructed.

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 school resource management self-assessment tool;
- the work of the executive managers within the academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- The Finance, Audit and Risk Committee.

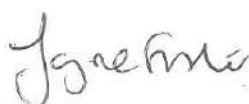
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 10 December 2020 and signed on its behalf by:



Victoria Del Giudice

Chair of Trustees



Jayne Foster

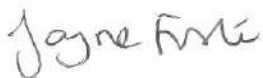
Accounting Officer

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 2019.

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 2019.

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



Jayne Foster

Accounting Officer

10 December 2020

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

The 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 10 December 2020 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 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006;
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 24 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

15 December 2020

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 14 July 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ethos Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
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

15 December 2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	3	1	-	127	128	123
Fixed assets donated		-	-	5	5	-
Transfer from local authority on conversion		-	-	-	-	2,486
Charitable activities:						
Funding for the academy trust's educational operations	4	15	6,209	-	6,224	5,860
Other trading activities	5	61	-	-	61	95
Investments	6	4	-	-	4	2
Total		81	6,209	132	6,422	8,566
Expenditure on:						
Raising funds	7	-	-	-	-	50
Charitable activities:						
Academy trust educational operations	8	-	6,350	130	6,480	6,110
Total		-	6,350	130	6,480	6,160
Net income / (expenditure)		81	(141)	2	(58)	2,406
Transfers between funds	17	-	(260)	260	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,25	-	(1,276)	-	(1,276)	(1,305)
Net movement in funds		81	(1,677)	262	(1,334)	1,101
Reconciliation of funds						
Total funds brought forward		712	(3,164)	3,553	1,101	-
Total funds carried forward		793	(4,841)	3,815	(233)	1,101

BALANCE SHEET Company Number 10745840

as at 31 August 2020

		2020	2020	2019	2019
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	13		3,803		3,553
Current assets					
Debtors	15	237		237	
Cash at bank and in hand		1,300		1,062	
		<u>1,537</u>		<u>1,299</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(457)		(430)	
Net current assets			<u>1,080</u>		<u>869</u>
Total assets less current liabilities			<u>4,883</u>		<u>4,422</u>
Creditors: Amounts falling due after more than one year	16		-		-
Net assets excluding pension liability			<u>4,883</u>		<u>4,422</u>
Defined benefit pension scheme liability	25		(5,116)		(3,321)
Total (liabilities)/assets			<u>(233)</u>		<u>1,101</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	17	3,815		3,553	
. Restricted income fund	17	275		157	
. Pension reserve	17	(5,116)		(3,321)	
Total restricted funds			<u>(1,026)</u>		<u>389</u>
Unrestricted income funds	17		<u>793</u>		<u>712</u>
Total funds			<u>(233)</u>		<u>1,101</u>

The financial statements on pages 30 - 55 were approved by the trustees, and authorised for issue on 10 December 2020 and are signed on their behalf by:



Victoria Del Giudice
Chair of Trustee

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	482	1,187
Cash flows from investing activities			
	22	(244)	(125)
Cash flows from financing activities			
	21	-	-
Change in cash and cash equivalents in the reporting period		<u>238</u>	<u>1,062</u>
Cash and cash equivalents at 1 September 2019		1,062	-
Cash and cash equivalents at the 31 August 2020	23	<u>1,300</u>	<u>1,062</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

The Trustees acknowledge that these financial statements are being approved during the Covid-19 pandemic. They recognise that this will continue to bring uncertainty and risk to the Trust during the next 12 months, some of which cannot be planned for. In the immediate future the Trustees also recognise that there will undoubtedly be unpredictable and unbudgeted costs and reduced income as a result of Covid-19. However, the strong cash balances, asset base and reserves position held mean that the Trust is sustainable in the longer term.

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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2020 on the amount of GAG that could be carried forward from one year to the next.

3 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£000	£000	£000	£000
Capital Grants	-	127	127	113
Donated - transfer from LA on conversion	-	-	-	(917)
Donated fixed assets	-	5	5	3,403
Donations	1	-	1	10
	<u>1</u>	<u>132</u>	<u>133</u>	<u>2,609</u>

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£000	£000	£000	£000
DfE / EFA grants				
General Annual Grant (GAG)	-	1,040	1,040	1,040
Start Up Grants	-	-	-	-
Other DfE/EFA grants	-	187	187	120
	<u>-</u>	<u>1,227</u>	<u>1,227</u>	<u>1,160</u>
Other Government grants				
Local authority grants	-	4,967	4,967	4,700
Other income from the academy trust's educational operations	15	-	15	42
Exceptional Government Funding				
Coronavirus Job Retention Scheme Grant	-	9	9	-
Coronavirus exceptional support	-	6	6	-
Other Coronavirus funding	-	-	-	-
	<u>15</u>	<u>6,209</u>	<u>6,224</u>	<u>5,902</u>

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

- The funding receipt for coronavirus exceptional support covers £6K worth of additional cleaning and free meals costs. These costs are included on notes 7 and 9 below as appropriate.

- The academy trust furloughed one of its teachers whose contract ended at Easter. The funding received of £9K staff costs in respect of remember of staff is included within note 10 below.

5 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Supply insurance reimbursement	38	-	38	4
Staff consultancy	2	-	2	5
Recharges to schools	1	-	1	26
Other income	20	-	20	60
	<u>61</u>	<u>-</u>	<u>61</u>	<u>95</u>

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	4	-	4	2
	<u>4</u>	<u>-</u>	<u>4</u>	<u>2</u>

7 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2020 £000	Total 2019 £000
		Premises £000	Other £000		
Expenditure on raising funds	-	-	-	-	50
Academy's educational operations:					
Direct costs	4,173	-	288	4,461	4,366
Allocated support costs	1,078	280	661	2,019	1,744
	<u>5,251</u>	<u>280</u>	<u>949</u>	<u>6,480</u>	<u>6,160</u>

Net income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	25	29
Depreciation	120	90
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit	14	14
- other services	<u>2</u>	<u>8</u>

8 Charitable Activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	4,461	4,366
Support costs – educational operations	2,019	1,744
	<u>6,480</u>	<u>6,110</u>

Analysis of support costs	Educational operations £000	Total 2020 £000	Total 2019 £000
Support staff costs	1,078	1,078	337
Depreciation	58	58	73
Technology costs	27	27	38
Premises costs	221	221	195
Other support costs	602	602	1,060
Governance costs	33	33	41
Total support costs	<u>2,019</u>	<u>2,019</u>	<u>1,744</u>

9 Staff

	Total 2020 £000	Total 2019 £000
a. Staff costs		
Staff costs during the period were:	£000	£000
Wages and salaries	3,389	2,918
Social security costs	323	278
Operating costs of defined benefit pension schemes	1,122	445
	<u>4,834</u>	<u>3,641</u>
Agency staff costs	390	935
Staff restructuring costs	27	-
	<u>5,251</u>	<u>4,576</u>
Staff restructuring costs comprise:		
Redundancy payments	18	-
Severance payments	9	-
Other restructuring costs	-	-
	<u>27</u>	<u>-</u>

b. Non statutory/non contractual staff severance payments

Included in the staff restructuring costs is one non-statutory, non-contractual severance payments totalling £4,500 (2019:£0).

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	33	25
Administration and support	83	76
Management	5	5
	<u>121</u>	<u>106</u>

d Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000		1
£80,001 - £90,000	1	
£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 £381,501 (2019: £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 Service

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: -

- 5% of GAG and LA top up funding

The actual amounts charged during the year were as follows:

	2020	2019
	£000	£000
Ethos College	76	78
Reach Academy	75	72
Engage Academy	52	37
	203	187

13 Tangible Fixed Assets

	Leasehold Land and Buildings	Leasehold Improvements	Furniture and Equipment	Computer Equipment	Total
	£000		£000	£000	£000
Cost					
At 1 September 2019	3,210	73	267	93	3,643
Donated - other	-	-	-	5	5
Additions	-	174	82	119	375
Disposals	-	-	(11)	(2)	(13)
At 31 August 2020	3,210	247	338	215	4,010
Depreciation					
At 1 September 2019	56	2	15	17	90
Charged in year	56	2	29	33	120
Disposals	-	-	(2)	(1)	(3)
At 31 August 2020	112	4	42	49	207
Net book values					
At 31 August 2019	3,154	71	252	76	3,553
At 31 August 2020	3,098	243	296	166	3,803

Disposals of £10K net book value of furniture and fittings and ICT equipment relates to equipment damaged by a flood at Engage Academy.

14 Stock

The Trust was not holding any stock as at 31 August 2020.

15 Debtors

	2020	2019
	£000	£000
Trade debtors	101	100
VAT recoverable	52	91
Other debtors	23	1
Prepayments and accrued income	61	45
	<u>237</u>	<u>237</u>

16 Creditors: Amounts Falling due within one year

	2020	2019
	£000	£000
Trade creditors	72	178
Other taxation and social security	85	67
Other creditors	72	57
Accruals and deferred income	228	128
	<u>457</u>	<u>430</u>
Deferred income	2020	2019
	£000	£000
Deferred income at 1 September 2019	86	-
Released from previous years	(86)	
Resources deferred in the year	50	86
Deferred Income at 31 August 2020	<u>50</u>	<u>86</u>

At the balance sheet date the academy Trust was holding funds received in advance for £50,136 which was made up of £36,500 grant received in advance from the LA to manage the exclusions contract, £4,208 rates funding, £2,775 Kellogg's breakfast grant and £6,653 unspent grants from external bids.

17 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	-	1,040	(1,040)	-	-
Start Up Grant	-	-	-	-	-
Other DfE/EFA grants	-	34	(34)	-	-
Other grants	157	5,135	(4,757)	(260)	275
Pension reserve	(3,321)	-	(519)	(1,276)	(5,116)
	(3,164)	6,209	(6,350)	(1,536)	(4,841)
Restricted fixed asset funds					
Transfer on conversion	3,313	-	-	-	3,313
Donations	-	5	-	-	5
DfE/EFA capital grants	80	127	(117)	(13)	77
LA Capital Grants	33	-	-	-	33
Capital expenditure from GAG	127	-	-	260	387
	3,553	132	(117)	247	3,815
Total restricted funds	389	6,341	(6,467)	(1,289)	(1,026)
Total unrestricted funds	712	81	-	-	793
Total funds	1,101	6,422	(6,467)	(1,289)	(233)

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 operation.

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

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
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 unrestricted funds	-	762	(50)	-	712
Total funds	-	8,566	(6,160)	(1,305)	1,101

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 operation.

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 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Ethos College	759	615
Reach Academy	125	8
Engage Academy	209	217
Other Services	95	-
Central services	(120)	29
Total before fixed assets and pension reserve	<u>1,068</u>	<u>869</u>
Restricted fixed asset fund	3,815	3,553
Pension reserve	(5,116)	(3,321)
Total	<u>(233)</u>	<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 2020 £000	Total 2019 £000
Ethos College	885	122	68	181	1,256	2,150
Reach Academy	941	73	48	261	1,323	2,230
Engage Academy	688	70	30	191	979	1,120
Other services	1,539	133	22	155	1,849	-
Central services	120	161	1	142	424	570
Academy Trust	<u>4,173</u>	<u>559</u>	<u>169</u>	<u>930</u>	<u>5,831</u>	<u>6,070</u>

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	3,803	3,803
Current assets	793	626	118	1,537
Current liabilities	-	(351)	(106)	(457)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(5,116)	-	(5,116)
Total net assets	793	(4,841)	3,815	(233)

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

	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	1,229
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

Operating Leases

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

	2020 £000	2019 £000
Amounts due within one year	11	23
Amounts due between one and five years	10	8
Amounts due after five years	-	-
	21	31

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

	2020	2019
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(58)	2,406
Adjusted for:		
Donation of fixed assets	(5)	(3,403)
Depreciation charges (note 13)	117	90
Disposals of fixed assets	13	
Capital grants from DfE and other capital income	(127)	(113)
Interest receivable (note 6)	(4)	(2)
Defined benefit pension scheme obligation inherited	-	1,572
Defined benefit pension scheme cost less contributions payable (note 25)	458	404
Defined benefit pension scheme finance cost (note 25)	61	40
(Increase)/decrease in debtors	-	(237)
Increase/(decrease) in creditors	27	430
Net cash provided by / (used in) Operating Activities	482	1,187

21 Cash Flows from Financing Activities

	2020	2019
	£000	£000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

22 Cash Flows from Investing Activities

	2020	2019
	£000	£000
Dividends, interest and rents from investments	4	2
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(375)	(240)
Capital grants from DfE/EFA	127	80
Capital funding received from sponsors and others		33
Net cash provided by / (used in) investing activities	(244)	(125)

23 Analysis cash and cash equivalents

	At 31 August 2020	At 31 August 2019
	£000	£000
Cash in hand and at bank	1,300	1,062
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,300	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 [name]. Both are multi-employer defined benefit schemes.

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

Contributions amounting to **£42,000** were payable to the schemes at 31 August 2020 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:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of **£218,100 million**, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of **£196,100 million** giving a notional past service deficit of **£22,000 million**;

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate of 2.4% above the rate of CPI; assumed real rate return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £343,000 (2019: £207,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is 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 2020 was £357,000 (2019: £335,000), of which employer's contributions totalled £255,000 (2019: £239,000) and employees' contributions totalled £102,000 (2019: £96,000). The agreed contribution rates for future years are 15.6 per cent to 31/3/2021, 16.2% 1/4/2021 to 31/3/22 and 16.8% 1/4/2022 to 31/08/2023 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	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.45%	3.25%
Rate of increase for pensions in payment/inflation	2.20%	2.00%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.20%	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:

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

Sensitivity analysis	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate +0.1%	8.592	6.740
Discount rate -0.1%	9.096	7.082
Mortality assumption - 1 year increase	8.522	6.684
Mortality assumption - 1 year decrease	9.158	7.136
CPI rate +0.1%	9.043	6.975
CPI rate -0.1%	8.646	6.843

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	2,898	2,785
Gilts	361	377
Corporate Bonds	186	161
Property	160	158
Cash and other liquid assets	63	68
Other	56	39
Total market value of assets	3,724	3,588

The actual return on scheme assets was £153,000

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	(713)	(466)
Past service cost	-	(177)
Interest income	-	-
Employer contributions	255	239
Interest cost	(61)	(40)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(519)	(444)

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

	2020 £'000	2019 £'000
At 1 September		-
Upon conversion	6,909	4,575
Current service cost	713	466
Interest cost	132	130
Employee contributions	102	96
Actuarial (gain)/loss	1,012	1,368
Benefits paid	(28)	97
Past service costs	-	177
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	8,840	6,909

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

	2020	2019
	£'000	£'000
At 1 September		
Upon conversion	3,588	3,003
Interest income	71	90
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	(264)	63
Employer contributions	255	239
Employee contributions	102	96
Benefits paid	(28)	97
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	3,724	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

Upper Batley High School

£271.80 purchase (hire of training space and refreshments).

Alistair Megahy is a Member of Ethos Academy Trust and Chair of Governors at Upper Batley High School and B

Tullie is a Member of Ethos Academy Trust and a Member of Batley MAT.

Field Lane Junior and Infant School

£100 purchase (provision of expert on exclusion panel)

B Tullie is a Member of Ethos Academy Trust and a Member of Batley MAT.

D & K Decor Services

£540 purchase (decorating services).

D & K Decor services employs the father of R Smith who is Headteacher at Ethos College.

Income Related Party Transactions

Batley Girls High School

£1,357 sales (recharge for supply member of staff to support an educational initiative).

G Hughes is a Member of Ethos Academy Trust and Deputy Head of Batley Girls High School and B Tullie is a

Member of Ethos Academy Trust and a Member of Batley MAT.

Moor End Academy

£2,519.89 sales (recharge for supply member of staff to support an educational initiative and charge for staff attendance GDC meeting).

C Acklam is a Trustee of both Ethos Academy Trust and South Pennine Academies Trust, of which Moorend Academy is a member school.

27 Capital Commitments

	2020	2019
	£'000	£'000
Contracted for, but not provided in the financial statements	381	0