

Transforming Lives Educational Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2020

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

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Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	P Davis S Jardine G Mati N Snook L Howard (appointed 14 February 2020)
Trustees	S Jardine, Chair of Trustees A Gold (resigned 6 December 2019) S Crosson P J Davis, Vice Chair N S Watson V Armeson (appointed 17 February 2020) J Thomas (appointed 17 February 2020) G J French (appointed 1 September 2019) M H Soley (resigned 3 October 2019)
Company registered number	07515832
Company name	Transforming Lives Educational Trust
Registered office	c/o Ashlawn School Ashlawn Road Rugby Warwickshire CV22 5ET
CEO and Accounting Officer	J E Higham
Senior management team	M A Goodey, CFO, Transforming Lives Educational Trust A Wright, Business Operations and Estates Manager, Transforming Lives Educational Tr S Evans, Principal, Ashlawn School E Cheney, Vice Principal, Ashlawn School S McKim, Vice Principal, Ashlawn School S Urding, Vice Principal, Ashlawn School S Cranmer, Vice Principal, Ashlawn School K Smith, Assistant Principal, Ashlawn School J Delves, Assistant Principal, Ashlawn School P Johal, Assistant Principal, Ashlawn School (resigned 31 December 2019) L Pountey, Assistant Principal, Ashlawn School (appointed 1 January 2020) F Edwards, Principal, Henry Hinde Infant School R O'Neill, Assistant Principal, Henry Hinde Infant School R Allen, Principal, Henry Hinde Junior School J Stewart, Vice Principal, Henry Hinde Junior School

Transforming Lives Educational Trust
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Reference and Administrative Details (continued)
For the Year Ended 31 August 2020

Independent auditors Dains LLP
15 Colmore Row
Birmingham
B3 2BH

Bankers Lloyds Bank plc
14 Church Street
Rugby
Warwickshire
CV21 3PL

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 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.

Structure, governance and management

a. Constitution

Transforming Lives Educational Trust (the "Trust") is a charitable company limited by guarantee (registration number 07515832) and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The charitable company known as Transforming Lives Educational Trust is a multi-academy trust and for the period covered by this report the Trust had responsibility for the following entities:

- Ashlawn School
- Henry Hinde Infant School
- Henry Hinde Junior School
- Innovation Learning and Leadership Alliance Limited (Ashlawn Teaching School)

It is to the operation of the Trust that the set of financial statements for the period ended 31 August 2020 relate.

The Trustees of Transforming Lives Educational Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these financial statements are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect its Members, Directors, Academy Representatives and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The professional indemnity insurance cover is up to £10,000,000 and is provided by the Department for Education under their 'Risk Protection Arrangements'.

Transforming Lives Educational Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the Trust and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The members of Transforming Lives Educational Trust may appoint and/or remove Trustees. The Trustees appoint/remove Governors to the Local Governing Boards of the academies.

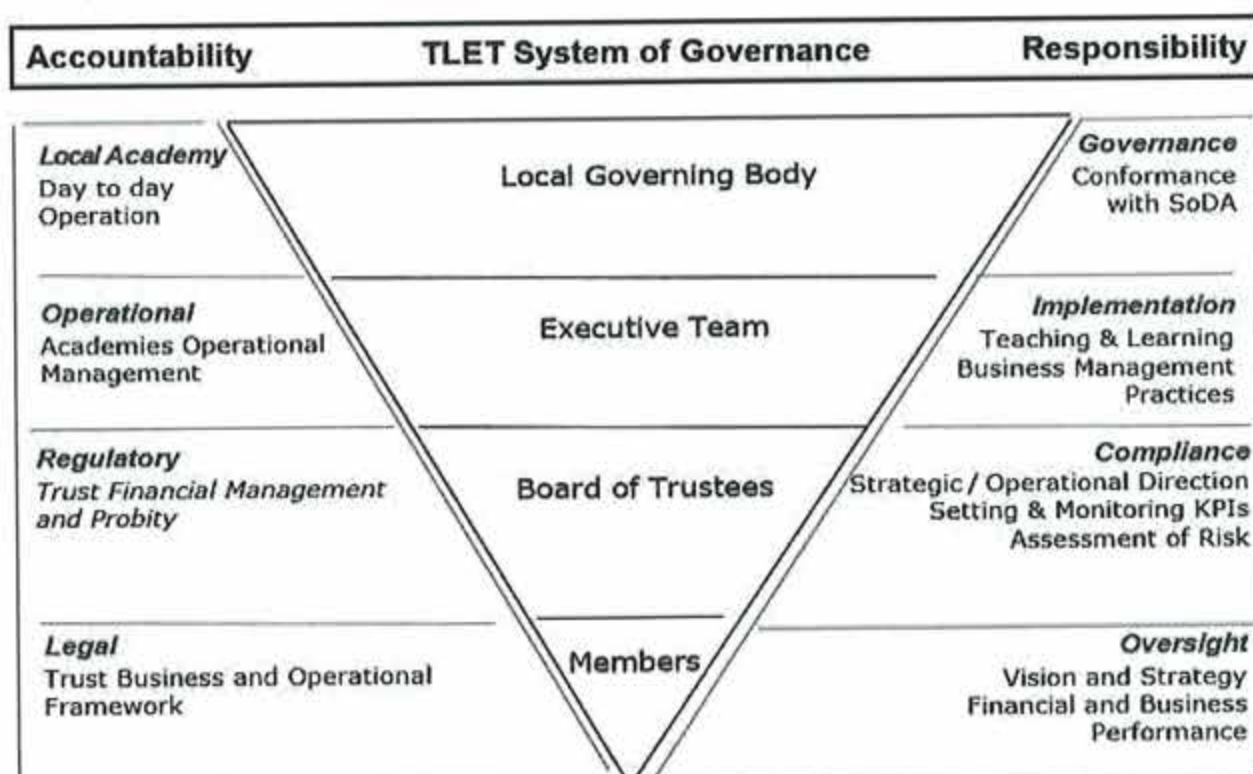
The minimum number of Trustees allowed at any time is three.

e. Policies and procedures adopted for the induction and training of Trustees

Trustees and governors are appointed on the basis of skills needs with all trustees and governors being annually assessed, through self-assessment, against the National Governors' Association (NGA) skills audit framework. Induction and CPD for governors and trustees is reflective of identified assessed needs and delivered using independent expert suppliers of services such as ECM Education Consultants and Warwickshire Education Services. Trustees and appointed governors are all subject to Disclosure and Barring Service checks.

f. Organisational structure

The organisational structure of Transforming Lives Educational Trust consists of four interdependent strands of responsibility and accountability as vested in the Members, Trustees, Executive Teams of the respective academies and the Local Governing Boards - each pivotal in decision making.



Structure, governance and management (continued)

f. Organisational structure (continued)

The Local Governing Boards are approved sub-committees of the Board of Trustees and responsible for the day to day operational running of the academies to the extent as permitted through and authorised by the Scheme of Delegated Authority ('SODA') pertinent to each academy.

Collectively the senior leadership teams of each academy report to the CEO and are responsible for the efficient and effective day-to-day running of the academies, in particular organising the teaching staff, facilities and students.

g. Arrangements for setting pay and remuneration of key management personnel

The remuneration for key management personnel (including Principals) is aligned to the School Teachers' Pay and Conditions Document (STPCD) leadership range being reflective of role, responsibility and, with regard to the Principals, the group classification of the particular academy.

Transforming Lives Educational Trust Board of Trustees has established an Operation Standards Committee to advise the Board on matters relating to the Trust's staff and pay structures. The main duties and responsibility of the committee is to:

1. Remuneration Standardisation
 - monitoring of decision-making processes regarding remuneration and staff performance development review, ensuring such are conducted in accordance with agreed protocols and practice;
 - ratification of the Principals' annual salary award as recommended consequent upon independently supported Performance Development Reviews;
 - arbitration of appeals in accordance with TLET Pay Policy;
 - review of all policies and work instructions pertinent to remuneration standardisation;
2. Safeguarding Performance
 - evaluation of the effectiveness of safer recruitment practice within and across the Trust;
 - review of Local Governing Boards' impact assessments of the local Academy implementation of safeguarding practices and protocols;
 - review of all policies and work instructions pertinent to safeguarding performance;
3. Resource Management
 - monitoring implementation and impact of TLET culture, ethos and values;
 - evaluation of curriculum design and delivery, including student performance data;
 - review of all policies and work instructions pertinent to resource management;
4. Outcomes and Impact Data
 - reviewing pupil and student wellbeing and educational outcomes and performance data;
 - assessing impact of School Improvement Plans (SIPs);
 - monitoring consistency of Teaching Standards across the MAT.

Performance appraisals of Principal(s) is supported by external independent reviewers with currency of educational expertise.

Transforming Lives Educational Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

h. Trade union facility time

The Transforming Lives Educational Trust had no employees who were relevant union officials during the year.

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern by way of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Local Governing Board.

Transforming Lives Educational Trust has, through the offices of the Local Governing Board, implemented a number of detailed policies in relation to all aspects of personnel matters including employee wellbeing, which has been of particular importance during the Covid-19 pandemic and the impact this has had on the operation of our academies.

The Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Structure, governance and management (continued)

j. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust Board ensures that all decisions are taken for the long term, and collectively and individually aims to always uphold the highest standard of conduct. Similarly, the Board recognises that the Trust can only grow and prosper over the long-term if it understands and respects the views and needs of the Trust's key stakeholders, customers, employees and suppliers to whom we are accountable, as well as the environment we operate within. Typically in a Trust of our size, the Board fulfil their duties partly through a governance framework that delegates day-to-day decision making to the employees of the Trust. The Board recognises that such delegation needs to be part of a robust governance structure, which covers our values, how we engage with our stakeholders, and how the Board assures itself that the governance structure and systems of controls continue to be robust.

The Board recognise that employees are fundamental and core to the delivery of our strategic ambitions. Our success depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Board factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

The Trust continuously assesses the priorities related to suppliers with whom we do business, and the Board engages with the Executive on these topics, for example, within the context of business strategy updates, supplier selection for critical factors such as the selection of senior members of staff and activities such as internal audit as well as infrastructure investment proposals.

The Chairperson, with the assistance of the Chief Executive Officer, sets the agenda for each Board meeting to ensure that the requirements of section 172 of the Companies Act 2006 are always met and considered through a combination of the following:

- Board Papers ensure that stakeholder factors are addressed where these are judged to be relevant.
- Standing Agenda points and papers presented at each Board meeting, for example the CEO presents updates on strategic progress, academic progress, operational progress and future developments of the Trust. The CFO presents the financial overview of the Trust and highlights any challenges or issues that may arise.
- A rolling agenda of matters to be considered by the Board including a review of the Trust strategic plan supported by a budget for the following year and a 3 year financial plan.
- Regularly scheduled Board presentations and reports, for example the Trust Risk Register, financial reports, and new or amended policies.
- Engagement with the Trust's key stakeholders, the Education and Skills Funding Agency, Department for Education and Central Government as well as local communities and updates on any consultations held by the Trust.

k. Related parties and other connected charities and organisations

The Transforming Lives Educational Trust has a fully owned subsidiary; Innovation Learning and Leadership Alliance Limited. The results of the subsidiary have been consolidated within these financial statements.

The Trust does not currently participate with any other related parties or other connected charities and organisations.

Objectives and activities

a. Objects, aims, strategies and objectives

As a Trust, we aspire to provide world class learning opportunities that enable the potential of the communities we serve. In doing so, we aim to transform the life chances of children and young people from birth through to school leaver and beyond.

The ethos and underpinning values of Transforming Lives Educational Trust is premised upon transforming lives through learning and leadership, raising standards through the sharing of knowledge and the application of best practice including adopting innovative teaching and learning; thereby creating a learning culture that builds, sustains and transforms our children and young people as well as the wider local geographical and social community.

The operational objectives of each of the academies within the Transforming Lives Educational Trust family is nested in our overarching aim translated into three guiding principles, namely:

- Ensuring the Quality of Teaching and Learning - through:
 - implementation of best practice and proactively raising standards
 - collective accountability for pupil progression, attainment and enrichment
 - currency of occupational competence and professional development
 - child centered funding enabled learning NOT funding driven enabled learning
- Ensuring an Inspiring Learning Environment - through:
 - establishing a culture based on openness, respect, integrity, and inclusivity
 - application of innovative systems of learning and pedagogy
 - resourcing according to learning and educational demand
 - utilisation of best fit learning environments within and across the MAT
- Ensuring Financial Viability - through:
 - driving efficiency through funding leverage and economies of scale
 - operating shared central and/or distributed services
 - delivering prudent budgetary control
 - working to financial KPIs and efficiency metrics

The strategic objectives for the Trust are:

1. Our children achieve more, and make better progress, by attending a TLET academy than would otherwise be expected.
2. Others hold our academies, and the Trust, in the highest regard.
3. Our accommodation and premises are safe, well maintained and with facilities that are constantly improving.
4. Infrastructure and management systems are effective and cohesive, underpinned by sound financial management.
5. Our Trust operates at least seven academies, with due regard to growing responsibly, sustainably and with a mix of primary and secondary phased academies.

Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

b. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Review of activities

Achievements of the Transforming Lives Educational Trust during 2019-20 have been disrupted by the global Covid-19 pandemic and the impact this has had on the delivery of schooling and the Trust's aims. Despite this, the Trust has accomplished a significant number of notable achievements, which include, but are not limited to:

- Key achievement and progress outcomes in all our academies were at least sustained and typically improved on those achieved in 2019;
- Successful creation and implementation of on-line remote learning across all academies, including enhanced provision of online teaching;
- Successful recruitment of substantive Principal Designate at Houlton School (secondary free school due to open in 2021);
- A sustained and comprehensive core offer for TLET academies that includes executive support, finance, HR, IT, SEND and estates management as well as a broad and diverse school improvement strategy;
- Consistent and informative peer reviews in all our academies via the Challenge Partners Network;
- Successful above average recruitment of trainees into Initial Teaching Training in the Trust's Teaching School;
- Two executive leaders within the trust have been appointed as National Leaders of Education;
- Building works at Houlton School are underway and on track for September 2021 opening;
- Successful program of capital improvement works across all academies to ensure the highest quality accommodation, facilities and safeguarding of pupils and employees;
- The TLET CEO has continued to represent academies at the Warwickshire Schools' Forum, widening our Trust's influence within system leadership;
- Further standardisation of a range of trust-wide policies and procedures to further consistency of practice as well as to ease the administrative burden on our academy leaders;
- Annual MAT review conducted by Regional School Commissioner's Academy Delivery Team highly complimentary, ensuring confidence for future growth;
- Strengthened governance at central and local levels including successful recruitment and revised Terms of Reference for Local Governing Boards and Trustee Sub-Committees;
- Developed and implemented standardised monitoring frameworks for Local Governing Boards to ensure consistency of approach and depth of operational understanding;
- Improved risk monitoring via a revised Risk Register that is aligned to the Trust's strategic aims.
- Commissioned independent MAT-wide governance review as part of our continuing process improvement protocol;
- Strengthening of financial management procedures; and
- Further development of financial awareness and training for senior leaders.

Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators (KPIs)

Transforming Lives Educational Trust has framed KPIs for each of our academies. Local Governing Boards are required to measure, monitor and report on KPIs termly to the Board of Trustees on the following areas:

- Learning Progression
- Pupil/Student Welfare
- Leadership & Management
- Financial Efficiency and Effectiveness

This reporting framework enables the Board of Trustees and the Executive of the Trust to determine the sustained or improving performance of each academy against a range of indicators. KPI reporting for the year 2019-20 demonstrates that our academies continue to either sustain or are improving towards strong performance when compared against national benchmarks as well as TLET's own high standards of performance. From 2020-21, reporting will be modified to reflect the process of annual review from the Regional Schools' Commissioner for the Trust, and will be via an annual performance review meeting, led by the Trust's Operation Standards Committee.

c. Promoting the success of the company

The directors of the company, as those of all UK companies, must act in accordance with a set of general duties.

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so, have regard to the likely consequences of any decisions in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and environment; the desirability of the company maintaining a reputation for high standards of conduct; and the need to act fairly as between members of the company.

Details of how our Trustees have fulfilled these duties when dealing with strategic decisions are covered elsewhere in the Trustees' Report.

d. Going concern

The Trustees have prepared forecasts through to 31 August 2023, incorporating expected increased funding from increased pupil numbers. These forecasts demonstrate that the Trust is expected to generate financial surpluses of around 3% of GAG for the foreseeable future.

As at 31 August 2020, the Group had net current assets of £676,724 (2019 - £156,413) and based on cash flow forecasts is expected to be able to continue to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The Trustees of Transforming Lives Educational Trust have therefore determined that its academies have 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.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Financial review

a. Reserves policy

The Local Governing Boards and specifically the Audit & Risk Committee as approved by the Trustees review the level of reserves of the academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust held fund balances at 31 August 2020 of £13,210,739 (2019 - £13,361,294) consisting of £12,967,802 (2019 - £13,296,902) restricted funds and £242,937 unrestricted funds (2019 - £19,392). Included in restricted funds is an amount of £18,291,716 (2019 - £18,338,795) invested in fixed assets and a pension reserve deficit of £5,573,000 (2019 - £4,931,000).

b. Investment policy

Under the Memorandum and Articles of Association the Trustees have the power to deposit or invest any funds not immediately required for the furtherance of its objects (but to invest only after obtaining such advice from an independent financial institution). During the year ended 31 August 2020 no investments were made.

c. Principal risks and uncertainties

The principal risk to Transforming Lives Educational Trust remains as it was for 2018/19, namely, direct reputational damage or reputational damage through association, particularly in the context of incorporation of poorer performing schools/academies within the multi-academy structure.

The principal risks of the Trust's academies are as for most educational establishments the failure to maintain and improve academic standards.

Both of these areas could ultimately result in a decline in student numbers which would have a detrimental impact on the overall funding of the Trust.

The Trustees have assessed the major risks to which it is exposed, in particular those related to the financial processes, and are satisfied that its new systems of governance and procedures are adequate to mitigate such exposure of risk.

d. Fundraising

The Trust does not yet have a distinct policy for fundraising. However, academies within the Trust fundraise by way of funding bids to regulators such as the ESFA; local charities who donate to local business/causes and via Parent-Teacher Association events.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Streamlined energy and carbon reporting

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

	2020
Energy consumption breakdown (kWh):	
Gas	2,287,570
Electricity	759,927
Transport fuel	1,853
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption and biomass	421.98
Owned transport - mini-buses	0.53
Total scope 1	422.51
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	177.17
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	0.52
Total gross emissions (in tonnes of CO2 equivalent):	600.20
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.27

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

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

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

There have been no specific actions taken this year to improve energy efficiency. As a Trust we have applied for funding from the Public Sector Decarbonisation Scheme, in order to fund the activities we would like to pursue in the future.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Plans for future periods

Transforming Lives Educational Trust is geared through the adoption and implementation of a growth strategy to develop its multi-academy status through the inclusion and incorporation of infant, primary and secondary schools within the Rugby area as well as schools from within an accessible geographical proximity operating to same/similar ethos and values. Additionally, and with the remit of 'transforming lives', the Trust will increasingly seek to bring on board lesser performing schools. Specifically, in 2020/21 we shall be:

- continuing to support our sponsored academy;
- strengthening the delivery (internal & external) of our Teaching School;
- launching a corporate guide for our academies;
- re-contracting with ECM Education Consultants and the Challenge Partners Network as the Trust-wide schools' improvement partners;
- continue to work closely with the DfE and contractors to realize Houlton (Free) School; (open as at Sept 2021)
- expand the Trust by incorporating at least one additional school.

Funds held as custodian on behalf of others

At 31 August 2020, £20,000 was being held on behalf of Warwickshire County Council Cluster services.

Disclosure of information to auditors

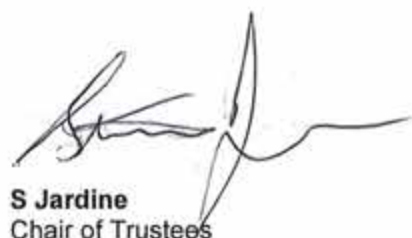
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 January 2021 and signed on its behalf by:



S Jardine
Chair of Trustees

Transforming Lives Educational Trust
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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Transforming Lives Educational 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
S Jardine, Chair of Trustees	6	6
P J Davis, Vice Chair	4	6
S Crosson	6	6
A Gold (resigned 6 December 2019)	1	1
N S Watson	5	6
G J French (appointed 1 September 2019)	6	6
V Armeson (appointed 17 February 2020)	3	3
J Thomas (appointed 17 February 2020)	2	3

The Audit and Risk sub-committee is a sub-committee of the main Board of Trustees and met on three occasions.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G French (Chair)	3	3
S Jardine	3	3
N Watson	3	3
J Higham	3	3

Governance Statement (continued)

Governance (continued)

The Operation Standards sub-committee met on 3 occasions (1 face to face and 2 virtual).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Jardine (Chair)	3	3
S Crosson	3	3
P Davis	3	3

Review of value for money

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

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

- Supporting close working relationships between Trust academies to enable proactive support and challenge across our academies;
- Commencing and reviewing the procurement of services across our academies to achieve better quality, greater economies of scale and consistent outcomes via Trust-wide central service provision;
- Consulting appropriate stakeholders before major decisions are made; and promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way; and
- Achieving educational outcomes above national averages in all measures in all of our academies.

The Trust is committed to continue best Value for Money practice and will be reviewing the following areas in future periods:

- Continued reviewing of the curriculum and its delivery
- A commitment to procuring services at Trust level to achieve on-going economies of scale

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Transforming Lives Educational Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
 - Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
 - Setting targets to measure financial and other performance
 - Mandatory finance and risk reporting frameworks for local governance (termly)
 - 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 had previously decided to engage Leicestershire County Council Internal Audit Service as internal auditor.

However, the use of Leicestershire County Council was impacted by a combination of changes made within the Council and Coronavirus. The impact of this was such that the decision has been taken to review the Internal Audit process and to go out to tender for the service for future years.

Instead, in 2019/2020, an external governance review was completed and School Resource Management Advisers carried out detailed reviews of the Trust's financial health.

Under normal circumstance the internal auditors would report to the Board of Trustees through the Audit and Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

As mentioned above, the ability to deliver on this in 2019/2020 was severely impacted, and as a result the decision was taken to formally go out to tender for this service in 2020/21.

Governance Statement (continued)

Review of effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 12 January 2021 and signed on their behalf by:



S Jardine
Chair of Trustees



J Higham
Accounting Officer

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Transforming Lives Educational Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.



J Higham
Accounting Officer

Date: 12 January 2021

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

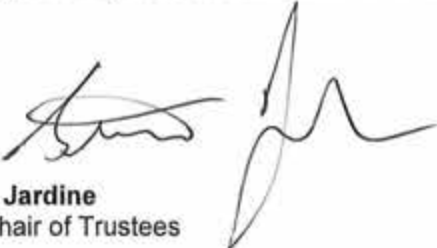
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 12 January 2021 and signed on its behalf by:


S Jardine
Chair of Trustees

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Transforming Lives Educational Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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 Group's or the parent Trust'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.

Independent Auditors' Report on the financial statements to the Members of Transforming Lives Educational Trust (continued)

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Transforming Lives Educational Trust (continued)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Auditors' Report.

Use of our report

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

12 January 2021

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Transforming Lives Educational Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Transforming Lives Educational Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Transforming Lives Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Transforming Lives Educational 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 Transforming Lives Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Transforming Lives Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Transforming Lives Educational Trust's funding agreement with the Secretary of State for Education dated 29 September 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Transforming Lives Educational Trust and the Education & Skills Funding Agency (continued)

Conclusion

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



Dains LLP

Statutory Auditor
Chartered Accountants

Date: 12 January 2021

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	4					
Transfer of existing academy into the Trust		-	(14,387)	-	(14,387)	917,503
Other donations and capital grants		164,961	-	413,140	578,101	245,388
Charitable activities: funding for the Trust's Educational Operations	5	18,195	12,293,478	-	12,311,673	10,573,630
Teaching schools	32	-	172,379	-	172,379	98,824
Other trading activities	6	39,476	-	-	39,476	44,827
Investments	7	913	-	-	913	611
Total income		223,545	12,451,470	413,140	13,088,155	11,880,783
Expenditure on:						
Charitable activities	9	-	12,486,743	493,751	12,980,494	11,538,967
Teaching schools	32	-	155,216	-	155,216	124,166
Total expenditure	8	-	12,641,959	493,751	13,135,710	11,663,133
Net income/ (expenditure)		223,545	(190,489)	(80,611)	(47,555)	217,650
Transfers between funds	20	-	(33,532)	33,532	-	-
Net movement in funds before other recognised gains/(losses)		223,545	(224,021)	(47,079)	(47,555)	217,650
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	(58,000)	-	-	(58,000)	(1,306,000)
Net movement in funds		165,545	(224,021)	(47,079)	(105,555)	(1,088,350)

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
(continued)
For the Year Ended 31 August 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	19,392	(5,041,893)	18,338,795	13,316,294	14,404,644
Net movement in funds	165,545	(224,021)	(47,079)	(105,555)	(1,088,350)
Total funds carried forward	184,937	(5,265,914)	18,291,716	13,210,739	13,316,294

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 69 form part of these financial statements.

Transforming Lives Educational Trust
(A Company Limited by Guarantee)
Registered number: 07515832

Consolidated Balance Sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	18,290,354	18,334,582
		<u>18,290,354</u>	<u>18,334,582</u>
Current assets			
Debtors	17	366,481	407,202
Cash at bank and in hand		1,148,476	413,794
		<u>1,514,957</u>	<u>820,996</u>
Creditors: amounts falling due within one year	18	(838,233)	(664,583)
Net current assets		<u>676,724</u>	<u>156,413</u>
Total assets less current liabilities		<u>18,967,078</u>	<u>18,490,995</u>
Creditors: amounts falling due after more than one year	19	(183,339)	(243,701)
Net assets excluding pension liability		<u>18,783,739</u>	<u>18,247,294</u>
Defined benefit pension scheme liability	27	(5,573,000)	(4,931,000)
Total net assets		<u><u>13,210,739</u></u>	<u><u>13,316,294</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	18,291,716	18,338,795
Restricted income funds	20	249,086	(110,893)
Pension reserve	20	(5,573,000)	(4,931,000)
Total restricted funds	20	<u>12,967,802</u>	<u>13,296,902</u>
Unrestricted income funds	20	<u>242,937</u>	<u>19,392</u>
Total funds		<u><u>13,210,739</u></u>	<u><u>13,316,294</u></u>

Transforming Lives Educational Trust
(A Company Limited by Guarantee)
Registered number: 07515832

Consolidated Balance Sheet (continued)
As at 31 August 2020

The financial statements on pages 25 to 69 were approved by the Trustees, and authorised for issue on 12 January 2021 and are signed on their behalf, by:



S Jardine
Chair of Trustees

The notes on pages 32 to 69 form part of these financial statements.

Transforming Lives Educational Trust
(A Company Limited by Guarantee)
Registered number: 07515832

Trust Balance Sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	18,290,354	18,334,582
Investments	16	1	1
		<u>18,290,355</u>	<u>18,334,583</u>
Current assets			
Debtors	17	366,481	432,543
Cash at bank and in hand		1,148,476	413,794
		<u>1,514,957</u>	<u>846,337</u>
Creditors: amounts falling due within one year	18	(830,055)	(664,583)
Net current assets		<u>684,902</u>	<u>181,754</u>
Total assets less current liabilities		<u>18,975,257</u>	<u>18,516,337</u>
Creditors: amounts falling due after more than one year	19	(183,339)	(243,701)
Net assets excluding pension liability		<u>18,791,918</u>	<u>18,272,636</u>
Defined benefit pension scheme liability	27	(5,573,000)	(4,931,000)
Total net assets		<u><u>13,218,918</u></u>	<u><u>13,341,636</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	18,291,716	18,338,795
Restricted income funds	20	257,265	(85,551)
Pension reserve	20	(5,573,000)	(4,931,000)
Total restricted funds	20	<u>12,975,981</u>	<u>13,322,244</u>
Unrestricted income funds	20	<u>242,937</u>	<u>19,392</u>
Total funds		<u><u>13,218,918</u></u>	<u><u>13,341,636</u></u>

Transforming Lives Educational Trust
(A Company Limited by Guarantee)
Registered number: 07515832

Trust Balance Sheet (continued)
As at 31 August 2020

The financial statements on pages 25 to 69 were approved by the Trustees, and authorised for issue on 12 January 2021 and are signed on their behalf, by:


S Jardine
Chair of Trustees

The notes on pages 32 to 69 form part of these financial statements.

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	830,514	(611,391)
Cash flows from investing activities	24	(35,470)	(6,070)
		<hr/>	<hr/>
Cash flows from financing activities	23	(60,362)	(26,080)
Change in cash and cash equivalents in the year		734,682	(643,541)
Cash and cash equivalents at the beginning of the year		413,794	1,057,335
Cash and cash equivalents at the end of the year	25, 26	1,148,476	413,794

The notes on pages 32 to 69 form part of these financial statements

Transforming Lives Educational Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

1. General information

Transforming Lives Educational Trust is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 07515832 and its registered office is c/o Ashlawn School, Ashlawn Road, Rugby, Warwickshire, CV22 5ET. The principal activity of the group is given in the Trustees' Report.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Transforming Lives Educational Trust (Accounts File) meets the definition of a public benefit entity under FRS 102.

The multi academy trust's functional and presentational currency is GBP. The financial statements are rounded to the nearest £.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2. Accounting policies (continued)

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

The Trustees have prepared forecasts through to 31 August 2022, incorporating expected increased funding from increased pupil numbers. These forecasts demonstrate that the Trust is expected to generate financial surpluses for years 2020/21.

As at 31 August 2020, the Group had net current assets of £676,724 (2019 - £156,415) and based on cash flow forecasts is expected to continue to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

Grants are included in the Consolidated 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 Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

Other income, including catering and lettings, is recognised in the year it is receivable and to the extent the Group has provided the goods or services.

- **Transfer of existing academies into the Group**

Where assets and liabilities are received on the transfer of an existing academy into the Group, 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 Group. An equal amount of income is recognised for the transfer of an existing academy into the Group within 'Income from Donations and Capital Grants' to the net assets acquired.

2. Accounting policies (continued)

2.4 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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.7 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 Consolidated 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 Consolidated Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long term leasehold land	- 0.8% straight line
Long term leasehold property	- 2% reducing balance
Leasehold improvements	- 4% reducing balance
Fixtures, fittings and equipment	- 20% reducing balance
Computer equipment	- 33.33% reducing balance
Motor vehicles	- 10% reducing balance
Other fixed assets	- 5% reducing balance

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 Consolidated Statement of Financial Activities.

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.11 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 Group 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.

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Trust'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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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 the Trust's wholly owned subsidiary are held at face value less any impairment.

2. Accounting policies (continued)

2.13 Pensions

Retirement benefits to employees of the Group 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 Group 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 Group 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 Consolidated 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.

2.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual value

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations				
Transfer of existing academy into the Trust	-	(14,387)	-	(14,387)
Donations	164,961	-	-	164,961
Capital Grants	-	-	413,140	413,140
	<u>164,961</u>	<u>(14,387)</u>	<u>413,140</u>	<u>563,714</u>

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations				
Transfer of existing academy into the Trust	-	(597,000)	1,514,503	917,503
Donations	54,271	-	-	54,271
Capital Grants	-	-	191,117	191,117
	<u>54,271</u>	<u>(597,000)</u>	<u>1,705,620</u>	<u>1,162,891</u>

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5. Funding for the Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	10,287,491	10,287,491
Teachers pay grants	-	559,988	559,988
Pupil Premium	-	402,114	402,114
Other DfE/ESFA grants	-	289,424	289,424
	-	11,539,017	11,539,017
Other government grants			
Special Educational Needs	-	178,344	178,344
Other government grants	-	43,707	43,707
	-	222,051	222,051
Other funding			
Income from Educational Visits	-	117,103	117,103
Catering	-	284,475	284,475
Other income	18,195	56,971	75,166
Department sales	-	19,060	19,060
	18,195	477,609	495,804
Exceptional Government funding			
Coronavirus Job Retention Scheme grant	-	54,801	54,801
	-	54,801	54,801
	18,195	12,293,478	12,311,673

The Multi 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 Multi Academy Trust furloughed some of its catering staff under the government's Coronavirus Job Retention Scheme. The funding received of £55K relates to staff costs in respect of X staff which are included within note 11 below as appropriate.

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

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	8,970,092	8,970,092
Pupil Premium	-	294,882	294,882
Other DfE/ESFA grants	-	282,507	282,507
	-	9,547,481	9,547,481
Special Educational Needs	-	188,655	188,655
Other government grants	-	85,971	85,971
	-	274,626	274,626
Income from Educational Visits	187,869	-	187,869
Catering	-	379,274	379,274
Other income	6,395	128,117	134,512
Department sales	-	49,868	49,868
	194,264	557,259	751,523
	194,264	10,379,366	10,573,630

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6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Private photocopying and telephone calls	54	54
Other trading income	868	868
Lettings	38,554	38,554
	<u>39,476</u>	<u>39,476</u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Private photocopying and telephone calls	139	-	139
Other trading income	1,685	-	1,685
Minibus income	1,284	-	1,284
Lettings	39,019	2,700	41,719
	<u>42,127</u>	<u>2,700</u>	<u>44,827</u>

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Interest	913	913

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Interest	611	611

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8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational Operations:				
Direct costs	8,929,232	394,599	1,351,294	10,675,125
Support costs	1,247,521	468,455	589,393	2,305,369
Teaching school	86,495	-	68,721	155,216
	<u>10,263,248</u>	<u>863,054</u>	<u>2,009,408</u>	<u>13,135,710</u>

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational Operations:				
Direct costs	7,764,053	353,268	1,290,674	9,407,995
Support costs	1,188,101	369,650	573,221	2,130,972
Teaching school	85,761	-	38,405	124,166
	<u>9,037,915</u>	<u>722,918</u>	<u>1,902,300</u>	<u>11,663,133</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational Operations	<u>10,675,125</u>	<u>2,305,369</u>	<u>12,980,494</u>

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9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational Operations	9,407,995	2,130,972	11,538,967

Analysis of direct costs

	<i>Total funds 2020 £</i>	<i>Total funds 2019 £</i>
LGPS finance costs	102,000	79,000
Staff costs	8,929,232	7,764,053
Depreciation	394,599	353,268
Educational supplies	178,782	187,621
Examination fees	202,007	189,887
Staff development	9,277	17,280
Music instruction and swimming lessons	27,726	31,083
Educational consultancy	60,409	55,254
Trips expenditure	184,725	172,474
Other direct costs	33,893	14,698
Catering costs	323,529	399,726
Recruitment and CPD training	110,658	44,797
Maintenance of equipment	35,139	61,946
Transport	13,774	19,546
Technology costs	69,375	17,362
	<u>10,675,125</u>	<u>9,407,995</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	1,247,521	1,188,101
Depreciation	99,152	115,324
Printing, postage and stationery	34,168	30,302
Other support costs	125,969	99,766
Maintenance of premises	227,111	127,714
Maintenance of equipment	21,355	22,744
Rates	57,866	52,277
Energy	178,179	173,227
Insurance	62,807	51,140
Telephone costs	11,310	5,542
Legal, professional and marketing costs	239,931	264,835
	2,305,369	2,130,972

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	10,109	18,919
Depreciation of tangible fixed assets	493,751	468,592
Fees paid to auditors for:		
- audit	10,975	10,900
- other services	4,100	4,025

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2020 £	Group 2019 £	Multi- Academy Trust 2020 £	Multi- Academy Trust 2019 £
Wages and salaries	7,302,934	7,008,319	7,238,001	6,938,924
Social security costs	673,254	555,140	666,607	549,075
Pension costs	2,135,701	1,405,124	2,120,786	1,394,823
	<u>10,111,889</u>	<u>8,968,583</u>	<u>10,025,394</u>	<u>8,882,822</u>
Agency staff costs	151,359	45,998	151,359	45,998
Staff restructuring costs	-	23,334	-	23,334
	<u>10,263,248</u>	<u>9,037,915</u>	<u>10,176,753</u>	<u>8,952,154</u>

Staff restructuring costs comprise:

	Group 2020 £	Group 2019 £
Redundancy payments	-	12,000
Other restructuring costs	-	11,334
	<u>-</u>	<u>23,334</u>

Notes to the Financial Statements
For the Year Ended 31 August 2020

11. Staff (continued)

b. Staff numbers

The average number of persons employed by the Group and the Trust during the year was as follows:

	Group 2020 No.	Group 2019 No.
Leadership	13	17
Teachers	134	140
Administration and support	179	195
	<u>326</u>	<u>352</u>

c. Higher paid staff

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,302,527 (2019 - £1,050,875).

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12. Central services

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

- Finance and accounting
- HR and payroll
- Legal, compliance and risk
- Marketing and PR
- Governance
- Estates
- IT
- School improvement
- WES

The Group charges for these services on the following basis:

The Central Charge for 19/20 was made based upon the services offered and the costs removed from the schools in the trust, as opposed to a straight percentage across all schools. From 2020/2021 the charge will be made on a percentage basis.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Ashlawn School	697,835	177,541
Henry Hinde Infant School	66,325	14,133
Henry Hinde Junior School	89,136	-
Total	853,296	191,674

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

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

14. Trustees' and Officers' insurance

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

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15. Tangible fixed assets

Group and Multi-Academy Trust

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £
Cost or valuation				
At 1 September 2019	17,847,567	2,668,624	471,698	665,485
Additions	-	435,308	3,592	10,623
Transfers between classes	(22,284)	22,284	-	-
At 31 August 2020	17,825,283	3,126,216	475,290	676,108
Depreciation				
At 1 September 2019	2,173,558	417,586	306,573	528,961
Charge for the year	286,731	107,868	37,971	55,449
Transfers between classes	(3,183)	3,183	-	-
At 31 August 2020	2,457,106	528,637	344,544	584,410
Net book value				
At 31 August 2020	15,368,177	2,597,579	130,746	91,698
At 31 August 2019	15,674,009	2,251,038	165,125	136,524

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Motor vehicles £	Other fixed assets £	Total £
9,996	146,857	21,810,227
-	-	449,523
-	-	-
<u>9,996</u>	<u>146,857</u>	<u>22,259,750</u>
3,237	45,730	3,475,645
676	5,056	493,751
-	-	-
<u>3,913</u>	<u>50,786</u>	<u>3,969,396</u>
6,083	96,071	18,290,354
<u>6,759</u>	<u>101,127</u>	<u>18,334,582</u>

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16. Fixed asset investments

	Investments in subsidiary companies £
Trust	
Cost or valuation	
At 1 September 2019	1
At 31 August 2020	1
Net book value	
At 31 August 2020	1
At 31 August 2019	1

17. Debtors

	Group 2020 £	Group 2019 £	Multi- Academy Trust 2020 £	Multi- Academy Trust 2019 £
Due within one year				
Trade debtors	12,423	24,078	12,423	24,078
Amounts owed by group undertakings	-	-	-	25,341
VAT recoverable	93,118	165,265	93,118	165,265
Other debtors	12,892	12,322	12,892	12,322
Prepayments and accrued income	248,048	205,537	248,048	205,537
	366,481	407,202	366,481	432,543

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18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Multi- Academy Trust 2020 £	Multi- Academy Trust 2019 £
Other loans	60,354	60,354	60,354	60,354
Trade creditors	8,639	59,506	8,639	59,506
Amounts owed to group undertakings	-	-	6,259	-
Other taxation and social security	162,810	162,327	162,810	162,327
Other creditors	172,668	157,691	172,668	157,690
Accruals and deferred income	433,762	224,705	419,325	224,706
	838,233	664,583	830,055	664,583
	Group 2020 £	Group 2019 £	Multi- Academy Trust 2020 £	Multi- Academy Trust 2019 £
Deferred income at 1 September 2019	205,343	135,917	205,343	135,917
Resources deferred during the year	193,832	205,343	193,832	205,343
Amounts released from previous periods	(205,343)	(135,917)	(205,343)	(135,917)
	193,832	205,343	193,832	205,343

Included within deferred income are amounts received for educational visits in advance and funding received from the DfE/ESFA in advance.

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Notes to the Financial Statements
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19. Creditors: Amounts falling due after more than one year

	Group 2020 £	<i>Group 2019 £</i>	Multi- Academy Trust 2020 £	<i>Multi- Academy Trust 2019 £</i>
Other loans	183,339	243,701	183,339	243,701

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2020 £	<i>Group 2019 £</i>	Multi- Academy Trust 2020 £	<i>Multi- Academy Trust 2019 £</i>
Payable or repayable by instalments	2,277	2,285	2,277	2,285

Included within other loans payable in more than one year are loans received from the ESFA for capital projects which are payable over seven and eight years respectively.

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20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Student Inspirational Fund	34,929	-	-	-	-	34,929
General funds						
General Funds	(14,150)	223,545	-	(1,387)	-	208,008
School trips	(1,387)	-	-	1,387	-	-
	(15,537)	223,545	-	-	-	208,008
Total Unrestricted funds	19,392	223,545	-	-	-	242,937
Restricted general funds						
General Annual Grant (GAG)	(59,662)	10,287,491	(9,743,648)	(278,405)	-	205,776
Pupil Premium	-	402,114	(402,114)	-	-	-
Other DfE/ESFA grants	-	824,003	(786,549)	(37,454)	-	-
Other government grants	-	222,051	(222,051)	-	-	-
Catering	(73,212)	284,475	(493,590)	282,327	-	-
Teaching school	(25,341)	172,379	(155,216)	-	-	(8,178)
16/19 bursary fund	47,322	25,409	(21,243)	-	-	51,488
Other restricted funds	-	178,747	(178,747)	-	-	-
Exceptional government funding	-	54,801	(54,801)	-	-	-
Pension reserve	(4,931,000)	-	(584,000)	-	(58,000)	(5,573,000)
	(5,041,893)	12,451,470	(12,641,959)	(33,532)	(58,000)	(5,323,914)

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20. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Gift from Local Authority and other multi academy trusts	11,279,277	-	(205,772)	-	-	11,073,505
Devolved capital grants and revenue donations to capital	1,550,577	-	(233,947)	33,532	-	1,350,162
Other fixed asset funding	15,415	413,140	(19,341)	-	-	409,214
ACMF Funding	2,029,717	-	(14,223)	-	-	2,015,494
Condition Improvement Funding	3,463,809	-	(20,468)	-	-	3,443,341
	<u>18,338,795</u>	<u>413,140</u>	<u>(493,751)</u>	<u>33,532</u>	<u>-</u>	<u>18,291,716</u>
Total Restricted funds	<u>13,296,902</u>	<u>12,864,610</u>	<u>(13,135,710)</u>	<u>-</u>	<u>(58,000)</u>	<u>12,967,802</u>
Total funds	<u>13,316,294</u>	<u>13,088,155</u>	<u>(13,135,710)</u>	<u>-</u>	<u>(58,000)</u>	<u>13,210,739</u>

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

Restricted general fund

This fund represents grants and other income received for the Trust's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the Trust's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

These funds represents grants received from the DfE and ESFA to carry out works of a capital nature.

Transfers between funds

Transfers between funds represent a contribution to capital made from revenue at the agreement of the Trustees.

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20. Statement of funds (continued)

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Ashlawn School	404,945	(64,126)
Henry Hinde Infant School	111,584	67,830
Henry Hinde Junior School	35,986	20,090
Innovation Learning and Leadership Alliance Limited	(8,178)	(25,341)
Central Services	(52,314)	(89,954)
Total before fixed asset funds and pension reserve	492,023	(91,501)
Restricted fixed asset fund	18,291,716	18,338,795
Pension reserve	(5,573,000)	(4,931,000)
Total	13,210,739	13,316,294

The following funds are carrying a net deficit position:

	Deficit £
Innovation Learning and Leadership Alliance Limited	(8,178)
Central Services	(52,314)

This represents a reduced deficit position for the Innovation Learning and Leadership Alliance Limited and for Central Services from 2018-19. With regard to the Central Services, this was linked to the bringing forward of growing the Central Team and the expertise it offers to the Trust's academies.

The Trust is taking the following action to return the funds to surplus:

The Trust's budget planning for Innovation Learning and Leadership Alliance Limited forecasts a surplus position in 2020-21. Whilst the Trust does not currently have a formal approach of GAG pooling, this is something that is being considered for the future. The Trust recognises that each Academy is a separate entity, and as such needs to be accounted for individually, whilst at the same time recognising that the benefits of being a Trust relate to the ability to smooth the ebb and flow of individual Academies finances within the Trust as a whole. Over time we will develop a longer-term financial plan that allows each of our Academies to invest in the education of our pupils and the infrastructure of each Academy at the right time to make the best use of the resources available to the Trust.

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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Ashlawn School	7,191,409	733,696	350,232	1,193,470	9,468,807
Henry Hinde Infant School	736,588	66,760	32,929	158,377	994,654
Henry Hinde Junior School	853,837	66,979	31,780	219,483	1,172,079
Innovation Learning and Leadership Alliance Limited	67,666	18,829	145	68,576	155,216
Central Services	249,398	380,086	16	221,703	851,203
Trust	9,098,898	1,266,350	415,102	1,861,609	12,641,959

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Ashlawn School	7,038,405	1,006,580	635,672	976,446	9,657,103
Henry Hinde Infant School	662,873	116,252	107,391	78,168	964,684
Henry Hinde Junior School	62,497	7,154	483	2,864	72,998
Innovation Learning and Leadership Alliance Limited	68,732	17,029	38	38,367	124,166
Central Services	79,276	58,113	-	238,201	375,590
Trust	7,911,783	1,205,128	743,584	1,334,046	11,194,541

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20. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Student Inspirational Fund	34,929	-	-	-	-	34,929
General funds						
General Funds	(117,554)	103,404	-	-	-	(14,150)
School trips	16,378	187,869	(246,198)	40,564	-	(1,387)
School funds	40,564	-	-	(40,564)	-	-
	(60,612)	291,273	(246,198)	-	-	(15,537)
Total Unrestricted funds	(25,683)	291,273	(246,198)	-	-	19,392
Restricted general funds						
General Annual Grant (GAG)	-	8,970,092	(9,022,992)	(10,893)	-	(63,793)
Other DfE/ESFA grants	-	577,389	(525,823)	(51,566)	-	-
Other government grants	-	274,626	(274,626)	-	-	-
Catering	-	379,274	(504,052)	51,566	-	(73,212)
Teaching school	4,131	98,824	(124,165)	-	-	(21,210)
16/19 bursary fund	47,322	-	-	-	-	47,322
Other restricted funds	-	180,685	(180,685)	-	-	-
Pension reserve	(2,712,000)	(597,000)	(316,000)	-	(1,306,000)	(4,931,000)
	(2,660,547)	9,883,890	(10,948,343)	(10,893)	(1,306,000)	(5,041,893)

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20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Gift from Local Authority and other multi academy trusts	9,941,126	1,514,503	(176,352)	-	-	11,279,277
Devolved capital grants and revenue donations to capital	1,646,332	145,353	(252,001)	10,893	-	1,550,577
Other fixed asset funding	18,256	-	(2,841)	-	-	15,415
ACMF Funding	2,045,151	-	(15,434)	-	-	2,029,717
Condition Improvement Funding	3,440,009	45,764	(21,964)	-	-	3,463,809
	<u>17,090,874</u>	<u>1,705,620</u>	<u>(468,592)</u>	<u>10,893</u>	<u>-</u>	<u>18,338,795</u>
Total Restricted funds	<u>14,430,327</u>	<u>11,589,510</u>	<u>(11,416,935)</u>	<u>-</u>	<u>(1,306,000)</u>	<u>13,296,902</u>
Total funds	<u>14,404,644</u>	<u>11,880,783</u>	<u>(11,663,133)</u>	<u>-</u>	<u>(1,306,000)</u>	<u>13,316,294</u>

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21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	18,290,354	18,290,354
Current assets	242,937	997,813	274,207	1,514,957
Creditors due within one year	-	(748,727)	(89,506)	(838,233)
Creditors due in more than one year	-	-	(183,339)	(183,339)
Provisions for liabilities and charges	-	(5,573,000)	-	(5,573,000)
Total	242,937	(5,323,914)	18,291,716	13,210,739

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	18,334,582	18,334,582
Current assets	19,392	468,566	333,038	820,996
Creditors due within one year	-	(579,459)	(85,124)	(664,583)
Creditors due in more than one year	-	-	(243,701)	(243,701)
Provisions for liabilities and charges	-	(4,931,000)	-	(4,931,000)
Total	19,392	(5,041,893)	18,338,795	13,316,294

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Notes to the Financial Statements
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22. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(47,555)	217,650
Adjustments for:		
Depreciation	493,751	468,592
Capital grants from DfE and other capital income	(413,140)	(191,117)
Interest receivable	(913)	(611)
Defined benefit pension scheme obligation inherited	-	597,000
Defined benefit pension scheme cost less contributions payable	482,000	237,000
Defined benefit pension scheme finance cost	102,000	79,000
Decrease/(increase) in debtors	40,721	(152,000)
Increase/(decrease) in creditors	173,650	(352,402)
Fixed assets received on transfer of existing academy	-	(1,514,503)
Net cash provided by/(used in) operating activities	830,514	(611,391)

23. Cash flows from financing activities

	Group 2020 £	Group 2019 £
Repayments of borrowing	(60,362)	(26,080)
Net cash used in financing activities	(60,362)	(26,080)

24. Cash flows from investing activities

	Group 2020 £	Group 2019 £
Interest receivable	913	611
Purchase of tangible fixed assets	(449,523)	(197,798)
Capital grants from DfE/ESFA and other capital income	413,140	191,117
Net cash used in investing activities	(35,470)	(6,070)

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25. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	1,148,476	413,794
Total cash and cash equivalents	1,148,476	413,794

26. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	413,794	734,682	1,148,476
Debt due within 1 year	(60,354)	-	(60,354)
Debt due after 1 year	(243,701)	60,362	(183,339)
	109,739	795,044	904,783

Notes to the Financial Statements
For the Year Ended 31 August 2020

27. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council. 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 £170,737 were payable to the schemes at 31 August 2020 (2019 - £134,094) 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. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

Notes to the Financial Statements
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27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,207,000 (2019 - £778,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group 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 £613,000 (2019 - £377,000), of which employer's contributions totalled £483,000 (2019 - £302,000) and employees' contributions totalled £ 130,000 (2019 - £75,000). The agreed contribution rates for future years are 19.5% - 20.5% per cent for employers and 5.5% - 12.5% per cent for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.0	2.9
Rate of increase for pensions in payment/inflation (CPI)	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.4
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	22.5	22.4
Females	25.4	25.0

Notes to the Financial Statements
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27. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(305)	(250)
Discount rate -0.1%	305	250
CPI rate +0.1%	278	204
CPI rate -0.1%	(278)	(204)
Salaries increase rate +0.1%	23	41
Salaries increase rate -0.1%	(23)	(41)

Share of scheme assets

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

	2020 £	2019 £
Equities	3,574	3,350
Bonds	1,489	1,416
Property	774	658
Cash and other liquid assets	119	54
Total market value of assets	5,956	5,478

The actual return on scheme assets was -£49,000 (2019 - £142,000).

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

	2020 £	2019 £
Current service cost	(964,000)	(471,000)
Past service cost	(1,000)	(68,000)
Interest income	117,000	116,000
Interest cost	(219,000)	(195,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(1,067,000)	(618,000)

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27. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	10,409,000	6,720,000
Transferred in on existing academies joining the trust	-	1,486,000
Current service cost	964,000	471,000
Interest cost	219,000	195,000
Employee contributions	130,000	75,000
Actuarial (gains)/losses	(108,000)	1,448,000
Benefits paid	(85,000)	(54,000)
Past service costs	1,000	68,000
At 31 August	11,530,000	10,409,000

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

	2020 £	2019 £
At 1 September	5,478,000	4,008,000
Transferred in on existing academies joining the trust	-	889,000
Interest income	117,000	116,000
Actuarial (losses)/gains	(166,000)	142,000
Employer contributions	483,000	302,000
Employee contributions	130,000	75,000
Benefits paid	(85,000)	(54,000)
At 31 August	5,957,000	5,478,000

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Notes to the Financial Statements
For the Year Ended 31 August 2020

28. Operating lease commitments

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

	Group 2020 £	<i>Group 2019 £</i>	Multi- Academy Trust 2020 £	<i>Multi- Academy Trust 2019 £</i>
Not later than 1 year	9,392	<i>10,109</i>	9,392	<i>10,109</i>
Later than 1 year and not later than 5 years	13,828	<i>23,267</i>	13,828	<i>23,267</i>
Later than 5 years	2,778	<i>4,636</i>	2,778	<i>4,636</i>
	25,998	<i>38,012</i>	25,998	<i>38,012</i>

29. 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.

30. Related party transactions

No related party transactions took place in the period of account other than certain Trustee's expenses already disclosed in note 13.

31. Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Class of shares	Holding	Included in consolidation
Innovation Learning and Leadership Alliance Limited	09325660	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Surplus for the year £
Innovation Learning and Leadership Alliance Limited	172,379	(155,216)	17,163

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Notes to the Financial Statements
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32. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
DfE / ESFA grants	77,794		38,330	
Other government grants	94,585		49,976	
Other income	-		10,518	
Total direct income	172,379		98,824	
Total income		172,379		98,824
Expenditure				
Direct expenditure				
Direct staff costs	67,666		68,732	
Curriculum supplies and equipment	145		38	
Staff training costs	60,458		4,240	
Total direct expenditure	128,269		73,010	
Other expenditure				
Other staff costs	18,829		17,029	
Administrative supplies and equipment	1,765		1,749	
Catering costs	17		19	
Legal and professional fees	6,336		32,358	
Total other expenditure	26,947		51,155	
Total expenditure		155,216		124,165
Surplus/(deficit) from all sources		17,163		(25,341)
Teaching school balances at 1 September 2019		(25,341)		-
Teaching school balances at 31 August 2020		(8,178)		(25,341)