Company Registration Number: 7559537 (England & Wales)

HOPE LEARNING TRUST, YORK

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

HOPE LEARNING TRUST, YORK
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Tony Myers (Chair) Mr M Barnes (Diocese of York Educational Trust) The Right Reverend Dr Jonathan Frost (Archbishop of York and Chapter of York representative) from 10 October 2019
Trustees	Mr Tony Myers (Chair) Mr Andrew Simpkin Mr David Judson Mr Ian Thomson Ms Karen Osborne Dr Julie McGonigle Ms Olivia Seymour Ms Philippa Gowland Mr John Kesterton (appointed 10 October 2019, resigned 30 October 2020) Mrs Dee Cooley (appointed 10 October 2019, resigned 1 July 2020)
Company registered number	7559537
Company name	Hope Learning Trust, York
Principal and registered office	Vale of York Academy Rawcliffe Drive Clifton York YO30 6ZS
Company secretary	Mr Simon Bryan-Smith
Chief executive officer	Mr Brian Crosby (to 31 August 2020) Ms Helen Winn (from 1 September 2020)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Senior management team	Mr Brian Crosby, Chief Executive Officer (to 31 August 2020) Mrs Helen Winn, Appointed June 2020, Chief Executive Officer (from 1 September 2020) Mr Simon Barber, Principal Manor CE Academy Mrs Helen Dowds, Exec Principal George Pindar School and Graham School Mr Toby Eastaugh, Principal Vale of York Academy Mrs Allyson Buckton, Principal Forest of Galtres Primary School Mrs Ash Atherton, Principal Burton Green Primary School Miss Julie Caddell, Principal Barlby High School Mr Nigel Stewart, Principal Baldersby St James CE Primary School (to April 2020) Ms Emma Robins, Prinicipal, The Graham School Ms Lesley Welsh, Principal George Pindar School Ms Michaela Carney, Acting Principal Skelton Primary School Mrs Estelle O'Hara, Principal Poppleton Ousebank Primary School Mrs Steff Brown, Interim Principal Baldersby St James CE Primary School (from 1 November Mr Simon Bryan-Smith, Finance Director Ms Wendy Munro, Chief Operating Officer
Independent auditors	BHP LLP Chartered Accountants Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH
Bankers	Lloyds Banking Group 14 Church Street Sheffield S1 1HP
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Row Nottingham NG2 1BJ
Surveyors	Sanderson Weatherall 6th Floor, Central Square 29 Wellington Street Leeds LS1 4DL

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 from 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

At the 31 August 2020 Hope Learning Trust York (HLT), comprised 5 Secondary Schools, 5 Primary schools and a teaching school. The trust currently operates in York and North Yorkshire.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

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

The trustees of Hope Learning Trust, York are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Hope Learning Trust, York .

Details of the trustees who served during the year, to the date these accounts 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

Members', Trustees' and Governor indemnities are covered under the risk protection agreement (RPA). The RPA is an alternative to commercial insurance for academy trusts. Under the RPA, the UK government covers losses instead of commercial insurance.

d. Method of recruitment and appointment or election of trustees

As laid out in the Articles of Association the number of Trustees shall be not less than three but shall not be subject to a maximum. The method of appointing Trustees is included in the Articles of Association which is available on the Trust website.

e. Policies adopted for the induction and training of trustees

New Trustees are formally written to on appointment and supplied with a welcome pack and invited to attend a "Welcome to Governance" course run by the local authority. Checks are carried out equivalent to employment checks and an enhanced DBS check is completed. Further training is made available specific to the relevant area of responsibility.

Structure, governance and management (continued)

f. Organisational structure

Overall responsibility lies with the Trustees who, by means of a scheme of delegation for each school, delegate the majority of responsibility to the relevant Local Governing Committee who in turn delegate the day to day running of the school to the Principal and the senior leadership team of each school. Further details of Governance structure are on pages 12 and 13.

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

The Trust has a school Pay Policy which sets out how salary levels for Leadership posts should be determined. This includes the involvement of the Local Governing Committee and the school leadership posts. For central leadership posts, external advice has been sought to ensure that pay and remuneration is benchmarked appropriately and to support Trustees in making pay decisions.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	16	
Total pay bill	22,523	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%

Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the trustees.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

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

The Trust has strengthened and moved forward its close working relationship with Vital York as IT partner. During the last year this has seen significant benefits in terms of consistency across the trust despite the geographical challenges. This has also seen the successful deployment of devices and opportunities for staff and students to work remotely.

Further work has also been moving forward to consolidate purchasing where possible and drive value through central negotiations for all the schools in the trust.

Objectives and activities

a. Objects and aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum and which shall include:

i. Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education and MAST ifor Methodist Schools; and
ii. other academies whether with or without a designated religious character; but in relation to each of the academies to recognise and support their individual ethos, whether or not designated Church of England.

Objectives and activities (continued)

b. Objectives, strategies and activities

The objectives are to provide outstanding education through teaching professionally and creatively.

c. 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)'. Details of how the Trust's activities delivered public benefit are given in the section under achievements and performance.

Strategic report

Achievements and performance

a. Review of activities

Context

From 22nd March, the country went into lockdown; all of the Trust schools were open over the lockdown period for pupils of key workers and vulnerable pupils. From 1st June, there was a wider reopening for early years, reception, year 6 and year 10.

The trust provider provided free school meals to pupil premium children from the start of lockdown to the point where the government voucher scheme started when vouchers were issued.

Pupils were set remote learning during the lockdown period which was a mixture of online work and hard paper copies. All schools developed the use of Google classroom so that pupils could access their learning. The trust board authorised the allocation of £400k from reserves so that devices, dongles and other resources could be bought to support home learning.

31 August 2020 marked the retirement of CEO Brian Crosby, who had established and led the Trust with eloquence and challenge. We are thankful for his vision, energy and commitment to enabling our communities to thrive. The planned recruitment of the new CEO took place early in the financial year, allowing a handover period in summer 2020 and an almost seamless transition. We are excited to continue the journey under the leadership of Helen Winn.

Primary

Last academic year saw a period of consolidation for our primary schools.

Pupils in year 6 did not sit their SAT tests as they were cancelled by the government.

Internal data indicated that the SAT results for Burton Green would have shown significant improvements from 2019; this is due to the relentless drive on standards and the quality of teaching.

All primary schools within the trust have been working on the development of the curriculum to ensure that it is broad and balanced. There has been an emphasis on the development of foundation subjects which will continue into the next academic year.

The **Primary Executive Lead** (appointed from 1 October 2019 to April 2020) supported the schools to improve

Strategic report (continued)

Achievements and performance (continued)

their quality of education including curriculum development.

Secondary

Pupils in year 11 did not sit their GCSE examinations as they were cancelled by the government. Pupils were awarded their centre assessed grades (or higher if adjusted). All schools in the trust went through a rigorous process to arrive at the centre assessed grades.

Centre assessed grades showed improvements in all schools and particularly in Scarborough schools and at Vale of York Academy.

Hope Trust took the Vale of York Academy into the Trust in 2017, having worked with the school for a year prior to conversion. On conversion results had been decreasing but in the last three years the results have gone on a significant upwards trajectory. The P8 score in 2017 was –0.64, in 2018 it was –0.37 and in 2019 it was–0.25. All the trend patterns over three years are going in the right direction. Ofsted completed a full inspection in November 2019 which resulted in a judgement of good in all areas.

Alternative provision units have been opened in both Scarborough schools, working in partnership with the Sentamu Academy Learning Trust (SALT) in Hull. Improving behaviour and increasing attendance are high priorities along with an increase in the quality of teaching and learning. The Trust is investing a significant amount of the reserves on increasing the capacity for change in both schools. The Yorkshire Coast Opportunity Area Board has allocated significant funding to support both schools.

Growth

No additional schools have joined the trust since 1 September 2020, however it is expected that the Trust will merge with Sentamu Academy Learning Trust (SALT) in September 2021; 1 secondary school, 2 alternative provision schools and 2 primary schools would be rebrokered from SALT to HLT.

Currently the Hope Trust Board is wanting to concentrate on the school improvement of the schools in the Trust, however they also realise that unexpected growth is always a possibility.

b. Key performance indicators

During the 12 month period to 31 August 2020 Hope Learning Trust, York has controlled and managed its expenditure to ensure that it operated within the funding available through the General Annual Grant.

Educational Key Performance Indicators are expanded on within the achievements and performance information above. The national cancellation of exams has limited the educational KPI's in the period and changed the basis on which they have been calculated.

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

The Trust has implemented a communication strategy to ensure that all stakeholders are informed regarding the successes achieved on both an individual school level and also Trust wide. The strategy provides a half termly bulletin to the internal staff and stakeholders with media coverage, when applicable, to a target audience. Electronic medium is utilised for the main purpose of ensuring prompt target messaging is undertaken.

The ongoing reputation of the Trust forms a core part of the trust risk management strategy which details the specific areas of risk. This risk management accompanied with a strategy partner to provide brand guardianship limits our exposure.

The Trust has a strong and consistent approach to the professional expectations and to support this provide a suite of policies which are routinely monitored to ensure that they meet the changing educational environment.

The Trust Board actively reviews, via full board and sub committees, to ensure that standards are consistent, fair and fit for purpose.

d. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

The Covid 19 pandemic will impact the organisation moving forward. The level of extra costs is currently unknown however the Trust is expecting significant pressures on the budget in the next year and will need to rely on reserves alongside any additional funding the Government provides.

Strategic report (continued)

Financial review

a. Review

Year ending 31 August 2020 saw a significant increase in annual income and expenditure reflecting the growth of the previous year. A significant program of capital improvements has been addressed in the year with the completion of two successful CIF roofing bids, the first receipt of School Condition Allocation funding and a significant scheme of improvement and works at the two Scarborough schools funded by a DfE conversion grant.

Overall the Trust came in ahead of budget with the majority of schools finding savings while others had to postpone planned expenditure projects due to the Covid-19 pandemic. This situation created volatility in forecasting and management accounts.

The Local Government Pension Scheme deficit has been rolled into one valuation saving money on valuation fees and allowing for consistent pension costs across the trust schools going forward.

The annual valuation of the Local Government Pension Scheme has seen another significant swing increasing the reported Trust deficit from £8.2m to £9.6m

The Trust is reporting a surplus in the year of £403k on unrestricted and restricted funds (excluding the pension reserve and the restricted fixed assets funds).

b. Reserves policy

The Trust holds a level of free reserves in order to cover the identified financial risks surrounding the multi academy Trust. The Trustees have assessed the level of financial risk and believe a reasonable maintainable level of free reserves to be 4% of annual public funding. The current minimum trust reserves required to meet the policy has risen during the year from £0.8m to £1.2m.

During the year the Trustees also recognised significant projects in the development plan for which reserves of £960k (2019 £1,269k) have been designated. This will be reviewed on a regular basis considering total reserves and the trust development plan.

At 31 August 2020 the available reserves for the operation of the Trust amounted to £1,476k (2019, £834k) and the total reserves amounted to £46,206k (2019, £45,795k). The Trust has set an in year balancing budget for 2020/21 in the amount of £23k. The ongoing effect of the pandemic is already putting a significant pressure on this budget being achievable.

c. Material investments policy

An investment policy has been agreed to allow the Trust to gain best value from its cash reserves while being exposed to minimum risk.

d. Principal risks and uncertainties

The ongoing increase in student numbers at the secondary schools continues to place pressure on school budgets due to lagged funding.

The ongoing effects of the Covid-19 pandemic currently cause the most uncertainty looking forward. This includes student and staff welfare.

The reality of national lockdown and cancellation of exams requires alternative methods to ensure pupil progress is maintained.

The foundation for our school estates management strategy is underpinned by a comprehensive and independent condition survey for individual sites (schools). Our focus is to address high priority issues and those that pose or increase risk to the health and safety of our communities. This year the Trust was been eligible for 'School Condition Allocation' funding which has enabled us to address significant mechanical and electrical issues within some of our schools which subsequently reduces the environmental impact and associated risk.

The ongoing strategy focuses on the continued implementation of a Trust wide plan to maximise the impact of proactive preventive maintenance procedures while improving the fabricate of our environments.

e. Risk management

As part of the risk management process the Trustees, Local Governors, senior leadership and working groups review relevant risks using the risk register. This aims to recognise changes to our current risks and identify emerging situations. At each governors' meeting specific risks are reviewed.

f. Financial and risk management objectives and policies

A comprehensive risk register is operational to quantify the likelihood and impact of the risks the Trust may face.

Fundraising

The academy trust does not use any external fundraisers. Fundraising has been mainly limited to raising funds for specific charities which are chosen by the schools and pupils during the year.

Streamlined energy and carbon reporting

The academy trust's UK greenhouse gas emissions and energy consumption for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions (kWh)	6,923,191
Energy consumption break down (kWh):	
• gas	4,673,025
• electricity	2,228,059
• transport fuel	22,107
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	859.23
Owned transport – mini-buses	3.20
Total Scope 1	862.42
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	519.45
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	2.05
Total gross emissions in metric tonnes CO2e	1383.92
Intensity ratio Tonnes CO2e per pupil	0.29

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

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency
The Trustees are aware of the Church of England's commitment to be carbon neutral across all its activities by 2030. No specific measures have been taken this year to improve energy efficiency. Energy usage was reduced due to closure of the schools from March 2020 due to COVID-19. There were however significant building projects across the estate which will have increased usage in the period. More staff have been working from home, which has reduced mileage costs as more remote meetings have taken place. As an organisation we will look to continue to reduce mileage in this way by holding meetings virtually where appropriate.

Plans for future periods

The 20/21 strategic plan for the trust is based on achieving the following outcomes:

- A respectful community, with a culture of thankfulness and appreciation, where we celebrate diversity.
- High quality first teaching across all of our schools, in every learning session, without exception.
- A broad and balanced educational offer which develops our pupils academically, practically, socially and spiritually, leading to outcomes above national benchmarks.
- Strong, sustainable and ethical leadership at all levels of the organisation.

Strategies that we have in place to deliver our outcomes:

Strand 1 - to implement a recovery and response strategy in all of our schools
Strand 2 - to prepare for SALT and HLT merger in September 2021
Strand 3 - to align the development of the curriculum, its delivery and assessment
Strand 4 - to develop leadership across the Trust

Funds held as custodian on behalf of others

There are no funds held as a custodian.

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2020 and signed on its behalf by:

Mr Tony Myers
Trustee

GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hope Learning Trust, York 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, 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 Hope Learning Trust, York 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 7 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
Mr Tony Myers (Chair)	7	7
Mr Andrew Simpkin	4	7
Mr David Judson	7	7
Mr Ian Thomson	6	7
Ms Karen Osborne	6	7
Dr Julie McGonigle	6	7
Ms Olivia Seymour	6	7
Ms Philippa Gowland	6	7
Mr John Kesterton	6	7
Mrs Dee Cooley	3	5

The Trustee makeup has been very stable during the year and there has been no formal review in the period. As part of the proposed merger of Sentumu Academy Learning Trust into Hope Learning Trust, a full review will take place.

The Resource Committee is a sub-committee of the main board of trustees and met 6 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
David Judson	6	6
Andrew Simpkin	6	6
Tony Myers	6	6
Ian Thomson (Chair)	5	6

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Standards Committee is also a sub-committee of the main board of trustees and met 4 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
John Kesterton	3	4
Karen Osbourne (Chair)	3	4
Julie McGonigle	2	4
Olivia Seymour	4	4
Mike Ferguson	1	2

The Distinctiveness and Personal Development Committee is also a sub-committee of the main board of Trustees and met 3 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dee Cooley	3	3
Philippa Gowland	3	3

Review of value for money

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

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

The Trust IT strategy has continued to be implemented and has already seen material savings in internet costs and significant improvements in IT consistency and security across the trust.

The Trust has procured payroll software and will go live on 01 September 2020 having run parallel systems for 3 months June to Aug 2020. This will reduce costs and significantly improve internal processes and data security.

A tender process was run during the year for the supply of Internal and External Audit. A new internal audit provider was secured and the existing external auditors were retained following a thorough process. Both of the final decisions were made by the Trustees as per the scheme of delegation.

The Trust Central team have worked with a number of organisations to purchase and deliver services across the whole Trust rather than individual schools doing the work independently. This is delivering consistency, increased value for money and less administration.

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

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

During the period the Trust has entered a much more extensive schedule of internal control under a new contract. While mobilisation of this has been a challenge during the pandemic work is underway in reviewing the Financial Policy and its processes, the scheme of delegation and the data processes across the trust. Internal audit reports will be with the Resources Committee to Review in the coming months.

The outgoing internal auditors delivered 2 reports which have been reviewed by the audit committee and actions have been taken. The incoming internal audit team have been working to deliver the schedule agreed however this has been complicated by the Covid pandemic and has resulted in some delays due to school lockdowns, working restrictions and workload priorities.

External Audit delivered 2019 accounts on time and have worked well with the Trust throughout the year to ensure compliance with statutory returns.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy 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 academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- a comprehensive risk register is maintained covering all areas of risk. These risks are reviewed and updated at Leadership, Governors and Trustees meetings;
- the Data Protection policy ensures staff are aware of how to store and use electronic and physical data appropriately. Electronic data is stored on maintained servers on site and is backed up to a separate server daily in a separate area of the site;
- an in depth due diligence processes is carried out on any new school that Hope Learning Trust, York is considering. This is presented to and reviewed by the Resources Committee before being presented to the Board of Trustees for authorisation;
- risk management is embedded in each area and level of the organisation. An example would be the external scrutiny of assessing the risk of educational trips using the Evolve service through City of York Council. This evaluates risk assessments produced by trip organisers and externally signs off to ensure minimal risks;

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of trustees has decided to buy-in an internal audit service from Haines Watts

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included income and budgeting management.

On a quarterly basis, the reviewer reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

During the period the Trust has entered a much more extensive schedule of internal control under a new contract. While mobilisation of this has been a challenge during the pandemic work is underway in reviewing the Financial Policy and its processes, the scheme of delegation and the data processes across the trust. Internal audit reports will be with the Resources Committee to Review in the coming months.

The outgoing internal auditors delivered 2 reports which have been reviewed by the audit committee and actions have been taken. The incoming internal audit team have been working to deliver the schedule agreed however this has been complicated by the Covid pandemic and has resulted in some delays due to school lockdowns, working restrictions and workload priorities.

Planning with the new internal audit commenced in March 2020 with fieldwork starting in June across the different areas. Substantial work was carried out during the year. Completion was not as rapid as hoped due to the pandemic working restrictions. All the planned reports were completed and presented to the Resources Committee in November 2020.

External Audit delivered 2019 accounts on time and have worked well with the Trust throughout the year to ensure compliance with statutory returns.

Review of effectiveness

As Accounting officer, the Chief Executive 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 reviewer;
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The period has been a time of transition in relation to internal audit. The year started by implementing the recommendations of the reports on Budget management and income.

Haines Watts, the new Internal Audit partner then started the process of collecting the initial fieldwork on the scheduled focus areas.

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

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of trustees on 9 December 2020 and signed on their behalf by:

Mr Tony Myers
Trustee

Ms Helen Winn
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hope Learning Trust, York I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

Ms Helen Winn
Accounting Officer
Date: 9 December 2020

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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 9 December 2020 and signed on its behalf by:

Mr Tony Myers
Trustee

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOPE LEARNING TRUST, YORK

Opinion

We have audited the financial statements of Hope Learning Trust, York (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the balance sheet, the 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 academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 academy trust 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 Directors' 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 academy 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 HOPE LEARNING TRUST, YORK (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 incorporating the Strategic Report and the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOPE LEARNING TRUST, YORK (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the academy 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 academy 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 academy 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 academy 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 academy 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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Jackson (senior statutory auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditors
Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOPE LEARNING TRUST, YORK AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 July 2020 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 Hope Learning Trust, York 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 Hope Learning Trust, York and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hope Learning Trust, York 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 Hope Learning Trust, York and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hope Learning Trust, York's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Hope Learning Trust, York's funding agreement with the Secretary of State for Education dated 1 April 2011 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 academy trust's income and expenditure.

The work undertaken to draw our conclusions includes:

Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
Review of the Academy Trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
Ensure that ESFA approval has been obtained for relevant transactions;
Discussions with directors, senior leadership team and the accounting officer throughout the audit process to ensure that all regularity threats have been addressed.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOPE LEARNING TRUST, YORK 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.

Michael Jackson
BHP LLP
Chartered Accountants
Statutory Auditors

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		**138**	**-**	**2,995**	**3,133**	*13,919*
Charitable activities		**141**	**27,774**	**-**	**27,915**	*21,033*
Teaching schools		**-**	**368**	**-**	**368**	*702*
Other trading activities		**231**	**-**	**-**	**231**	*534*
Investments	6	**6**	**-**	**-**	**6**	*9*
Total income		**516**	**28,142**	**2,995**	**31,653**	*36,197*
Expenditure on:						
Raising funds	8	**67**	**-**	**-**	**67**	*120*
Charitable activities		**-**	**28,520**	**2,022**	**30,542**	*23,761*
Teaching schools		**-**	**316**	**-**	**316**	*686*
Other expenditure	9	**-**	**-**	**-**	**-**	*1,377*
Total expenditure		**67**	**28,836**	**2,022**	**30,925**	*25,944*
Net income/ (expenditure)		**449**	**(694)**	**973**	**728**	*10,253*
Transfers between funds	19	**(526)**	**-**	**526**	**-**	-
Net movement in funds before other recognised gains/(losses)		**(77)**	**(694)**	**1,499**	**728**	*10,253*
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	**-**	**(317)**	**-**	**(317)**	*(2,654)*
Net movement in funds		**(77)**	**(1,011)**	**1,499**	**411**	*7,599*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Reconciliation of funds:						
Total funds brought forward		**2,083**	**(8,178)**	**51,890**	**45,795**	*38,196*
Net movement in funds		**(77)**	**(1,011)**	**1,499**	**411**	*7,599*
Total funds carried forward		**2,006**	**(9,189)**	**53,389**	**46,206**	*45,795*

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 60 form part of these financial statements.

HOPE LEARNING TRUST, YORK
(A company limited by guarantee)
REGISTERED NUMBER: 7559537

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £000		2019 £000
Fixed assets					
Tangible assets	16		**52,875**		*51,591*
			52,875		*51,591*
Current assets					
Debtors	17	**1,226**		*1,459*	
Cash at bank and in hand		**5,866**		*2,469*	
		7,092		*3,928*	
Creditors: amounts falling due within one year	18	**(4,142)**		*(1,526)*	
Net current assets			**2,950**		*2,402*
Total assets less current liabilities			**55,825**		*53,993*
Defined benefit pension scheme liability	26		**(9,619)**		*(8,198)*
Total net assets			**46,206**		*45,795*
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	19	**53,389**		*51,890*	
Restricted income funds	19	**430**		*20*	
Pension reserve	19	**(9,619)**		*(8,198)*	
Total restricted funds	19		**44,200**		*43,712*
Unrestricted income funds	19		**2,006**		*2,083*
Total funds			**46,206**		*45,795*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 25 to 60 were approved and authorised for issue by the trustees and are signed on their behalf, by:

Mr Tony Myers
Trustee
Date: 9 December 2020

The notes on pages 30 to 60 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	*2019 £000*
Cash flows from operating activities			
Net cash provided by operating activities	21	**3,750**	*12,520*
Cash flows from investing activities	22	**(353)**	*(11,437)*
Change in cash and cash equivalents in the year		**3,397**	*1,083*
Cash and cash equivalents at the beginning of the year		**2,469**	*1,386*
Cash and cash equivalents at the end of the year	23, 24	**5,866**	*2,469*

The notes on pages 30 to 60 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy 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.

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

1. Accounting policies (continued)

1.3 Income

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

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

  General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the 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.

- **Sponsorship income**
  Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

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

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

- **Transfer on conversion**
  Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets (excluding transfers on conversion or into the academy trust)**
  Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1. Accounting policies (continued)

1.4 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.

- **Expenditure on raising funds**
  This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**
  These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

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

1.7 Taxation

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

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

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Freehold property	- 10 - 50 Years
Long leasehold buildings	- 10 - 50 Years
Computer hardware	- 3-5 years
Furniture and equipment	- 5-10 Years

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

1.9 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.

1.10 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.

1.11 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 academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1. Accounting policies (continued)

1.12 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 Fund accounting

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

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.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust 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 26, 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Transfer from local authority on conversion	-	47	**47**	*12,788*
Capital grants	-	2,948	**2,948**	*1,004*
Other donations	138	-	**138**	*127*
	138	2,995	**3,133**	*13,919*
Total 2019	*1,360*	*12,559*	*13,919*	

4. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
DfE/ESFA grants				
General annual grant (GAG)	-	23,339	**23,339**	*18,047*
Other DfE/EFA grants	-	3,291	**3,291**	*1,758*
Local authority grants	-	645	**645**	*586*
Other income	141	499	**640**	*642*
	141	27,774	**27,915**	*21,033*
Total 2019	*72*	*20,961*	*21,033*	

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Catering income	56	**56**	*240*
Hire of facilities	163	**163**	*285*
Nursery income	12	**12**	*9*
	231	**231**	*534*
Total 2019	*534*	*534*	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Short term deposits	6	**6**	*9*
Total 2019	*9*	*9*	

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	*Total 2019 £000*
Expenditure on raising voluntary income:					
Direct costs	-	38	29	**67**	*120*
Educational operations:					
Direct costs	19,866	-	4,124	**23,990**	*18,297*
Allocated support costs	2,885	2,025	1,642	**6,552**	*5,464*
Teaching school	167	-	149	**316**	*686*
Pension liability on conversion	-	-	-	**-**	*1,377*
	22,918	2,063	5,944	**30,925**	*25,944*
Total 2019	*18,200*	*1,497*	*6,247*	*25,944*	

8. Expenditure on raising funds

Trading expenses

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Premises costs	38	**38**	*43*
Other costs	29	**29**	*15*
Staff costs	-	**-**	*62*
	67	**67**	*120*
Total 2019	*120*	*120*	

9. Other expenditure

	Restricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Pension liability on conversion	-	**-**	*1,377*
Total 2019	*1,377*	*1,377*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Educational operations	23,990	6,552	**30,542**	*23,761*
Total 2019	*18,297*	*5,464*	*23,761*	

Analysis of direct costs

	Educational operations 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Staff costs	19,472	**19,472**	*14,565*
Depreciation	2,022	**2,022**	*1,538*
Technology costs	273	**273**	*186*
Educational supplies	1,454	**1,454**	*1,106*
Examination fees	235	**235**	*193*
Staff development	135	**135**	*62*
Other direct costs	4	**4**	*25*
Supply staff costs	395	**395**	*622*
	23,990	**23,990**	*18,297*
Total 2019	*18,297*	*18,297*	

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Staff costs	2,885	**2,885**	*2,481*
Technology costs	82	**82**	*81*
Premises costs	2,029	**2,029**	*1,454*
Other support costs	1,475	**1,475**	*1,355*
Bank interest and charges	63	**63**	*66*
Governance costs	18	**18**	*27*
	6,552	**6,552**	*5,464*
Total 2019	*5,464*	*5,464*	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	*2019* *£000*
Depreciation of tangible fixed assets	**2,022**	*1,538*
Fees paid to auditors for:		
- audit	**18**	*22*

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	*2019 £000*
Wages and salaries	**16,271**	*13,104*
Social security costs	**1,543**	*1,229*
Pension costs	**4,709**	*3,245*
	22,523	*17,578*
Supply staff costs	**395**	*622*
	22,918	*18,200*

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

Included in staff costs are non-statutory/non-contractual severance payments totalling £3,429 (2019: £23,982). This consisted of one payment in the current year.

c. Staff numbers

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

	2020 No.	*2019 No.*
Teachers	**262**	*197*
Administration and support	**321**	*293*
Management	**57**	*50*
	640	*540*

12. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020 No.	*2019 No.*
Teachers	**230**	*209*
Administration and support	**196**	*170*
Management	**54**	*48*
	480	*427*

d. Higher paid staff

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

	2020 No.	*2019 No.*
In the band £60,001 - £70,000	**10**	*3*
In the band £70,001 - £80,000	**3**	*2*
In the band £80,001 - £90,000	**2**	*-*
In the band £90,001 - £100,000	**1**	*2*
In the band £100,001 - £110,000	**2**	*-*
In the band £110,001 - £120,000	**-**	*1*

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,805,909 *(2019 £1,415,739)*.

13. Central services

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

- Strategic leadership and development of the trust
- Central overheads including legal and audit costs
- Finance and forecasting systems
- Financial reporting and advice
- Human resources
- Strategic estates management
- Compliance support

The academy trust charges for these services on the following basis:

5% GAG pupil funding excluding Pupil Premium Grant.

The actual amounts charged during the year were as follows:

	2020 £000	*2019* *£000*
Poppleton Ousebank Primary School	**77**	*73*
Manor CE Academy	**297**	*240*
Burton Green	**36**	*35*
Forest of Galtres	**27**	*28*
Vale of York	**145**	*137*
Barlby High	**141**	*129*
Graham School	**264**	*148*
George Pindar	**176**	*95*
Baldersby	**12**	*11*
Skelton	**18**	*3*
Total	**1,193**	*899*

14. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2020 £000	*2019* *£000*
Mr Brian Crosby, CEO and accounting officer (resigned as a Trustee 25 September 2018)	Remuneration	**Nil**	*5 - 10*
	Pension contributions paid	**Nil**	*0 - 5*

14. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2020, expenses of £nil were reimbursed or paid directly to trustees (2019 - £103 to *1 trustee).*

15. Trustees' and Officers' insurance

The academy trust 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.

16. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	**3,367**	**51,749**	**317**	**897**	**56,330**
Additions	**1,783**	**1,080**	**130**	**313**	**3,306**
Disposals	**-**	**-**	**-**	**(608)**	**(608)**
At 31 August 2020	**5,150**	**52,829**	**447**	**602**	**59,028**
Depreciation					
At 1 September 2019	**106**	**3,737**	**175**	**721**	**4,739**
Charge for the year	**243**	**1,507**	**50**	**221**	**2,021**
On disposals	**-**	**-**	**-**	**(607)**	**(607)**
At 31 August 2020	**349**	**5,244**	**225**	**335**	**6,153**
Net book value					
At 31 August 2020	**4,801**	**47,585**	**222**	**267**	**52,875**
At 31 August 2019	*3,261*	*48,012*	*142*	*176*	*51,591*

17. Debtors

	2020 £000	2019 £000
Due within one year		
Trade debtors	77	102
Other debtors	4	4
Prepayments and accrued income	929	1,024
Tax recoverable	216	329
	1,226	1,459

18. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	2,467	296
Other creditors	1	3
Accruals and deferred income	1,674	1,227
	4,142	1,526

	2020 £000	2019 £000
Deferred income at 1 September 2019	501	649
Resources deferred during the year	1,109	501
Amounts released from previous periods	(501)	(649)
	1,109	501

Trade creditors in the current year includes the outsourced August payroll of £1.8m.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Designated funds						
School Improvement Project	1,269	-	-	(899)	-	370
IT Equality Fund	-	-	-	400	-	400
Growth and Change	-	-	-	190	-	190
	1,269	-	-	(309)	-	960
General funds						
General funds	814	516	(67)	(217)	-	1,046
Total Unrestricted funds	2,083	516	(67)	(526)	-	2,006
Restricted general funds						
General Annual Grant (GAG)	-	24,346	(23,936)	-	-	410
School fund	20	454	(454)	-	-	20
Pupil premium	-	1,201	(1,201)	-	-	-
Other DfE/EFA	-	2,141	(2,141)	-	-	-
Pension reserve	(8,198)	-	(1,104)	-	(317)	(9,619)
	(8,178)	28,142	(28,836)	-	(317)	(9,189)

19. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Restricted fixed asset funds						
Transfer on conversion	46,547	47	(2,022)	526	-	45,098
DfE/EFA Capital grants	4,996	2,948	-	-	-	7,944
LA Capital Funding	347	-	-	-	-	347
	51,890	2,995	(2,022)	526	-	53,389
Total Restricted funds	43,712	31,137	(30,858)	526	(317)	44,200
Total funds	45,795	31,653	(30,925)	-	(317)	46,206

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

Restricted general funds:

GAG funds are restricted to providing education.
Other DfE grants relate to reimbursement for specific services.
LEA grants relates to provision of Special Education needs.
Pension fund relates to Note 26
Restricted fixed asset funds represent money received for the purpose of acquiring fixed assets and the value of assets accquired using that money.

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

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	*2019 £000*
Poppleton Ousebank	**300**	*202*
Manor CE Academy	**334**	*309*
Central Services	**137**	*84*
Burton Green	**97**	*56*
Forest of Galtres	**(43)**	*16*
Vale of York	**(172)**	*(179)*
Ebor Teaching School	**77**	*25*
Barlby High School	**191**	*131*
Baldersby	**12**	*60*
George Pindar School	**594**	*703*
Graham School	**898**	*677*
Skelton	**11**	*19*
Total before fixed asset funds and pension reserve	**2,436**	*2,103*
Restricted fixed asset fund	**53,389**	*51,890*
Pension reserve	**(9,619)**	*(8,198)*
Total	**46,206**	*45,795*

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
Vale of York	**172**
Forest of Galtres	**43**

The academy trust is taking the following action to return the academies to surplus:

Vale of York - The 4 year forecast agreed during the current budget setting process shows a return to surplus cumulative reserves in 2023.

Forest of Galtres - The position of FOG was forecast accurately in the Budget process due to staffing structures and pupil numbers. This has been addressed and will return to a cumulative surplus in 2022.

19. 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 £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	*Total 2019 £000*
Poppleton Ousebank	1,323	235	12	275	**1,845**	*1,838*
Manor CE Academy	4,337	715	25	705	**5,782**	*5,983*
Central Services	385	668	220	312	**1,585**	*917*
Burton Green	682	149	12	109	**952**	*1,020*
Forest of Galtres	594	27	10	97	**728**	*791*
Vale of York	2,573	289	23	311	**3,196**	*3,101*
Ebor Teaching School	121	50	2	142	**315**	*686*
Barlby High School	2,204	326	75	344	**2,949**	*3,098*
Baldersby	213	106	4	53	**376**	*349*
George Pindar School	2,761	777	28	511	**4,077**	*2,058*
Graham School	4,245	741	18	628	**5,632**	*3,070*
Skelton	305	115	5	66	**491**	*118*
Pension Brought In	-	-	-	-	**-**	*1,377*
Academy trust	19,743	4,198	434	3,553	**27,928**	*24,406*

19. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	*Income £000*	*Expenditure £000*	*Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 August 2019 £000*
Unrestricted funds						
Designated funds						
School Improvement Project	-	-	-	*1,269*	-	*1,269*
Unrestricted funds						
General funds	*671*	*1,975*	*(120)*	*(1,712)*	-	*814*
Total Unrestricted funds	671	1,975	(120)	*(443)*	-	*2,083*
Restricted funds						
General Annual Grant (GAG)	-	*19,378*	*(19,684)*	*306*	-	-
School fund	-	*456*	*(436)*	-	-	*20*
Pupil premium	-	*882*	*(882)*	-	-	-
Other DfE/EFA	-	*947*	*(947)*	-	-	-
Pension reserve	*(3,207)*	-	*(2,337)*	-	*(2,654)*	*(8,198)*
	(3,207)	21,663	(24,286)	*306*	*(2,654)*	*(8,178)*

19. Statement of funds (continued)

	Balance at 1 September 2018 £000	*Income £000*	*Expenditure £000*	*Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 August 2019 £000*
Restricted fixed asset funds						
Transfer on conversion	*36,530*	*11,555*	*(1,538)*	-	-	*46,547*
DfE/EFA Capital grants	*3,855*	*1,004*	-	*137*	-	*4,996*
LA Capital Funding	*347*	-	-	-	-	*347*
	40,732	12,559	(1,538)	*137*	-	*51,890*
Total Restricted funds	*37,525*	*34,222*	*(25,824)*	*443*	*(2,654)*	*43,712*
Total funds	*38,196*	*36,197*	*(25,944)*	-	*(2,654)*	*45,795*

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	**Restricted funds 2020 £000**	**Restricted fixed asset funds 2020 £000**	**Total funds 2020 £000**
Tangible fixed assets	-	-	52,875	**52,875**
Current assets	2,006	4,572	514	**7,092**
Creditors due within one year	-	(4,142)	-	**(4,142)**
Provisions for liabilities and charges	-	(9,619)	-	**(9,619)**
Total	2,006	(9,189)	53,389	**46,206**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	*Restricted funds 2019 £000*	*Restricted fixed asset funds 2019 £000*	*Total funds 2019 £000*
Tangible fixed assets	-	-	51,591	*51,591*
Current assets	2,098	1,531	299	*3,928*
Creditors due within one year	(15)	(1,511)	-	*(1,526)*
Provisions for liabilities and charges	-	(8,198)	-	*(8,198)*
Total	2,083	(8,178)	51,890	*45,795*

21. Reconciliation of net income to net cash flow from operating activities

	2020 £000	*2019 £000*
Net income for the period (as per statement of financial activities)	**728**	*10,253*
Adjustments for:		
Depreciation charges	**2,022**	*1,538*
Capital grants from DfE and other capital income	**(2,947)**	*(1,004)*
Dividends, interest and rents from investments	**(6)**	*(9)*
Defined benefit pension scheme obligation inherited	**-**	*1,377*
Defined benefit pension scheme cost less contributions payable	**958**	*860*
Defined benefit pension scheme finance cost	**146**	*100*
Decrease/(increase) in debtors	**233**	*(777)*
Increase in creditors	**2,616**	*182*
Net cash provided by operating activities	**3,750**	*12,520*

22. Cash flows from investing activities

	2020 £000	*2019 £000*
Dividends, interest and rents from investments	**6**	*9*
Purchase of tangible fixed assets	**(3,306)**	*(895)*
Tangible fixed assets inherited on conversion	**-**	*(11,555)*
Capital grants from DfE Group	**2,947**	*1,004*
Net cash used in investing activities	**(353)**	*(11,437)*

23. Analysis of cash and cash equivalents

	2020 £000	*2019 £000*
Cash in hand	**4,835**	*1,442*
Notice deposits (less than 3 months)	**1,031**	*1,027*
Total cash and cash equivalents	**5,866**	*2,469*

24. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	**2,469**	**3,396**	**5,865**
	2,469	**3,396**	**5,865**

25. Capital commitments

	2020 £000	*2019 £000*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**-**	*22*

26. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by North Yorkshire Pension Fund. 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 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £770,000 *(2019 - £770,000)*.

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 academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,161,000 *(2019 - £1,000,000)*, of which employer's contributions totalled £897,000 *(2019 - £770,000)* and employees' contributions totalled £ 264,000 *(2019 - £230,000)*. The agreed contribution rates for future years are 11.1 - 20.3% per cent for employers and 5.5 - 12.5% per cent for employees.

The LGPS obligation relates to the employees of the academy 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 academy 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	**3.45**	*3.31*
Rate of increase for pensions in payment/inflation	**2.2**	*2.06*
Discount rate for scheme liabilities	**1.7**	*1.90*
Inflation assumption (CPI)	**2.2**	*2.06*
Commutation of pensions to lump sums	**50.00**	*50.00*

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

26. Pension commitments (continued)

	2020 Years	*2019 Years*
Retiring today		
Males	**21.8**	*21.9*
Females	**23.9**	*25.1*
Retiring in 20 years		
Males	**23.5**	*23.6*
Females	**25.7**	*26.9*

Sensitivity analysis

	2020 £000	*2019 £000*
Discount rate +0.1%	**20,675**	*17,832*
Discount rate -0.1%	**21,844**	*18,718*
Mortality assumption - 1 year decrease	**22,014**	*18,886*
Mortality assumption - 1 year increase	**20,484**	*17,662*

Share of scheme assets

The academy trust's share of the assets in the scheme was:

	2020 £000	*2019 £000*
Equities	**6,408**	*5,832*
Gilts	**2,326**	*1,954*
Property	**744**	*765*
Other	**2,152**	*1,521*
Total market value of assets	**11,630**	*10,072*

The actual return on scheme assets was £199,000 *(2019 - £206,000)*.

26. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £000	*2019 £000*
Current service cost	**(1,809)**	*(1,137)*
Past service cost	**(46)**	*(493)*
Net interest cost	**(146)**	*(100)*
Total amount recognised in the Statement of financial activities	**(2,001)**	*(1,730)*

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

	2020 £000	*2019 £000*
At 1 September	**18,270**	*8,698*
Conversion of academy trusts	**-**	*4,446*
Current service cost	**1,809**	*1,137*
Interest cost	**345**	*306*
Employee contributions	**264**	*230*
Actuarial losses	**796**	*3,074*
Benefits paid	**(281)**	*(114)*
Past service costs	**46**	*493*
At 31 August	**21,249**	*18,270*

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

	2020 £000	*2019 £000*
At 1 September	**10,072**	*5,491*
Conversion of academy trusts	**-**	*3,069*
Interest income	**199**	*206*
Actuarial gains	**479**	*420*
Employer contributions	**897**	*770*
Employee contributions	**264**	*230*
Benefits paid	**(281)**	*(114)*
At 31 August	**11,630**	*10,072*

27. Operating lease commitments

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

	2020 £000	*2019* *£000*
Not later than 1 year	**19**	*23*
Later than 1 year and not later than 5 years	**24**	*43*
	43	*66*

28. 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.

29. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

30. Teaching school trading account

	2020 £000	2020 £000	2019 £000	2019 £000
Income				
Direct income				
Direct income	368		702	
Total income		368		702
Expenditure				
Direct expenditure				
Direct staff costs	167		470	
Rent	-		8	
Professional services - educational	119		192	
Professional services - non educational	-		6	
Office costs	5		5	
Audit and accountancy	2		(2)	
Other staff costs	2		5	
Other costs	18		2	
Agency Supply Cover - Teaching	4		-	
Total expenditure		317		686
Surplus from all sources		51		16
Teaching school balances at 1 September 2019		35		19
Teaching school balances at 31 August 2020		86		35