Registrar of Companies

Cuckoo Hall Academies Trust

Annual Report and Financial Statements

Year ended 31 August 2020

Company Limited by Guarantee
Registration Number
07355559 (England and Wales)

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Reference and administrative details

Members	Dr D Graham (Chair) Prof. A O'Hear Dr A Cullen Mr A Lancaster
Directors	Dr D Graham (Chair) Prof. A O'Hear (resigned 21/04/2020) Mr M Charalambous (Ex-Officio) Prof. D M Hewitt Mrs S Rubenstein Mr D Broadbent Mr R Bryant Ms J Tosh Ms S El Hadri (appointed 03/10/2019) Mr A Ayoade (appointed 22/06/2020)
Company Secretary	Mrs Angela Cattermole (resigned 30/11/2020) Ms Susan Ellingham (appointed 01/12/2020)
Senior Management Team	
CEO	Mr Marino Charalambous
Director of Finance	Mrs Angela Cattermole (resigned 30/11/2020) Ms Susan Ellingham (appointed 01/12/2020)
Head Teacher	Miss Nicola Ross – Cuckoo Hall Academy/ Woodpecker Hall Academy (from 01/09/2020)
Head Teacher	Mr Matthew Clifford –Kingfisher Hall Academy
Head Teacher	Mr Arthur Barzey – Heron Hall Academy
Head Teacher	Ms Sharon Parson (resigned 31/08/2020) – Woodpecker Hall Academy
Head of School/ Head Teacher	Jade-Simone Bacon (appointed 01/09/2020) – Enfield Heights Academy
Principal and Registered Office	Cuckoo Hall Academy Cuckoo Hall Lane Edmonton London N9 8DR
Company Registration Number	07355559 (England and Wales)

Reference and administrative details

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc 9 The Town Enfield N2 6LF
Solicitors	Hill Dickson LLP No 1 St Paul's Square Liverpool L3 9SJ

The trustees present their annual report together with the financial statements and the auditor's reports on the charitable company for the period 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. The trust operates 1 secondary and 4 primary academies in the Enfield area.

The ESFA's Financial Notice to Improve ('FNTI'), issued in January 2015, was lifted in February 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust ("the Trust"). The trustees of Cuckoo Hall Academies Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cuckoo Hall Academies Trust.

Details of the trustees who serve on the board of the Trust are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Academy Trust.

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006. The trustees listed on page 1 were in office during the year and at the date of approval of these financial statements (except where indicated).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees

As at 31 August 2020 the Academy Trust has the following as set out in its articles of association and funding agreement:

- up to 9 trustees who are appointed by members;
- up to 5 chairs of the local governing bodies;
- up to 5 Head Teachers of the Academies;
- the Chief Executive Officer; and
- additional Trustees can be appointed by the Secretary of State.

Trustees are appointed for a four year period, except for the Chief Executive Officer. Any election of the Academy Trust's directors that is contested shall be held by secret ballot.

Induction and training of trustees, governors and directors

Trustees of CHAT and governors on local governing bodies will vary in their experience. New trustees sign up to the Purpose and Role of the Trustee & Code of Practice which sets out what is expected of a trustee or governor. The training and induction includes an annual planned programme to cover key governance areas. A skills audit is carried out periodically and training commissioned on the basis of the outcome of the skills audit.

Organisational structure

Cuckoo Hall Academy, Woodpecker Hall Primary Academy, Kingfisher Hall Primary Academy, Enfield Heights Academy and Heron Hall Academy are governed by the Cuckoo Hall Academies Trust which delegates functions as appropriate to the individual School Governing Bodies, the governors of whom are appointed by the Academy Trust and include two parental representatives and one staff governor.

The organisational structure of the Academy Trust consists of three levels: the trustees, academy governors and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget for the Academy Trust, monitoring progress in each Academy on a financial and performance basis at a strategic level and calling to account the individual academy governing bodies and the Cuckoo Hall Academies Trust ('CHAT') Senior Management Team for the progress in each academy. The trustees are also responsible for the appointment of senior staff in the Academy Trust, but may delegate appointments to the local governing body except for the appointment of a member of the CHAT Senior Management Team.

The individual academy governing bodies, along with the Chief Executive, are responsible for monitoring the performance of the Head Teachers and their Senior Leadership Teams ('SLT') on a regular basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The CHAT Senior Management Team members are the Chief Executive, Head Teachers of each of the academies, Head of Human Resources and the Director of Finance. These managers control the Academy Trust at an executive level, implementing the policies laid down by the trustees and reporting back to them. As a group the senior managers are responsible for the authorisation of spending within agreed budgets and for the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust are the members, directors and Senior Management Team. Pay decisions at CHAT are ultimately made by the CHAT Board but are delegated to the Chief Executive and the Head Teachers of the individual academies. The CHAT Board determine the Chief Executive's pay, the pay of the Head Teachers and other members of the Senior Management Team in consultation with the Chief Executive Officer.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£3,972
Total pay bill	£14,026,000
Percentage of the total pay bill spent on facility time, calculated as:	0.03%
(total cost of facility time ÷ total pay bill) x 100	

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	—
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	

Engagement with employees (including disabled persons)

The Trust values its employees highly and makes the following pledges to all its employees within its three-year strategy:

- Our Trust will be a caring, meaningful place to work and learn, a place to be proud of, with every member of staff playing their part in our vision - to provide every child with an enriching and inspirational educational experience;
- Our Trust will support every member of staff in their career development, working with each individual to understand their hopes and aspirations for the future;
- Our Trust will provide professional development opportunities and support of the highest standard, drawing on experts within and beyond our Trust;
- Our Trust will be committed to ensuring workload is fair and manageable, drawing on our professional community to share resources and planning wherever possible;
- Our Trust will support staff to maintain a healthy work life balance, recognising that our staff are also parents, carers and people with wider interests and responsibilities.

The Trust has demonstrated its commitment to these pledges with a number of actions during a challenging year for staff:

- A weekly e-letter from the CEO sent to all staff which celebrates successes, informs staff of what is happening in all parts of the Trust, welcomes new staff, and provides wellbeing tips and advice;
- During lockdown the CEO held a regular catch-up with administrative staff via Zoom;
- At the end of the lockdown period all staff were offered counselling sessions to support their return to work and address any mental health issues that had arisen during lockdown;
- A return to work survey was undertaken for all staff to comment on their main areas of concern so that these could be taken into account in the Trust's COVID-19 risk assessment;
- There is a Staffing and Operations sub-committee of the Trust Board which reviews staff-related metrics on a termly basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with suppliers, customers and other stakeholders

Being at the heart of its communities is a hallmark of the Trust and the Trust makes the following pledges in its three-year strategy:

- Our Trust will ensure that each school will always be led by exceptional educationalists with a strong-track record of leading within high-performing schools;
- Our Trust will foster a community of schools committed to supporting one another's improvement and success; with expert teachers working together – across schools – to enhance the curriculum, teaching and learning, professional development, and much more;
- Our Trust will provide the highest standards of safeguarding support, ensuring all pupils and staff are safe and secure;
- Our Trust will provide high quality mental health and wellbeing support, ensuring that children and young people are supported with care and are ready to learn;
- Our Trust will provide high quality and ethical governance at all levels, providing schools with the necessary balance of support and challenge in order for them to succeed;
- Our Trust will foster a range of key relationships with external agencies and organisations, including those across our communities, who can contribute to our efforts to ensure every child and school thrives;
- Our Trust will work in partnership to improve educational, employment and social opportunities for parents, carers and others in our wider school community.

The Trust has an active and effective Community Outreach team and also set up a hardship fund to support families struggling during the COVID-19 crisis. The Trust undertook a home-learning survey during the lockdown period to identify how the academies could best support parents & carers at a very difficult time.

Connected organisations, including related party relationships

There are no related parties which either control or significantly influence the decisions and operations of Cuckoo Hall Academies Trust. There are no external sponsors.

Transactions with trustees and governors are set out in note 19 to the accounts.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Charitable Company is the operation of academies to provide a broad and balanced education including English, Mathematics and Science as all-ability inclusive schools.

Cuckoo Hall Academies Trust is responsible for the operation of Cuckoo Hall Academy, Woodpecker Hall Academy (which opened in September 2011), Kingfisher Hall Academy (which opened in September 2012), Enfield Heights Academy (which joined CHAT on 1 September 2014) and Heron Hall Academy (a new Secondary free school which opened in September 2013).

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)
All academies established by Cuckoo Hall Academies Trust will:

- ensure that pupils attending CHAT schools are provided with high quality, excellent education;
- provide a broad, balanced and enriched curriculum, underpinned by high quality traditional, but engaging, subject teaching to promote all pupils' achievement;
- be at the heart of its community in providing excellent local education and be a first choice for parents. Through its success it will strive to raise aspirations for pupils and families in an area with high levels of deprivation and diversity;
- promote inclusion, and take into account pupils' individual and/or exceptional needs. Promote the sharing of fundamental British values to establish tolerance, respect and understanding both within the school community and the community as a whole;
- establish an admissions policy and admission arrangements which is in accordance with admissions law, and the DfE Codes of Practice;
- place an emphasis on the needs of the individual pupils including pupils with special education needs ('SEN'), both those with and without statements of SEN in accordance with the DfE's SEN Code of Practice;
- not charge in respect of admission to an academy, and the academy will only charge pupils where the law allows maintained schools to charge; and
- make provision for the teaching of religious education.

The aims of the Cuckoo Hall Academies Trust are to:

- promote the quality of education provision and standards to ensure excellent outcomes for all pupils;
- share resources, expertise and provision across the family of CHAT schools ensuring value for money for all CHAT academies;
- be a self-sustaining and self-improving group of schools, with emphasis on continuing high quality training and development for school leaders, teachers, trainee teachers and support staff; and
- share our expertise and success with as many young people and communities as is possible.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

The key priorities for the year are contained in the development plans for each academy and these are available from the Chief Executive Officer.

The key objectives for the Cuckoo Hall Academies Trust are to:

- prepare students for the future;
- ensure Trust academies are at the heart of their communities;
- demonstrate high quality leadership;
- become an employer of choice; and
- ensure the sustainability of the Trust.

Public Benefit

In setting the Academy Trust's objectives and planning its activities, the board of trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Due to the national lock down there is no 'real or accurate' data to report on as no testing took place and limited children returned to school in the summer term.

The results below are based on progress made up to March 2020 and what we believe we would have achieved if lock down did not take place. There is no national data so the previous year's national data is shown for comparison.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Primary Results	Cuckoo Hall	Woodpecker Hall	Kingfisher Hall	Enfield Heights	National
Year 1 Phonics	75%	64%	80%	85%	82%
Key Stage 1:					
- Reading					
'expected and above'	56%	75%	77%	60%	75%
'greater depth'	10%	9%	7%	20%	25%
- Writing					
'expected and above'	55%	56%	84%	50%	69%
'greater depth'	6%	7%	7%	0%	15%
- Maths					
'expected and above'	62%	79%	76%	61%	76%
'greater depth'	10%	9%	5%	18%	22%
Key Stage 2:					
- Reading					
'expected and above'	78%	63%	86%	74%	73%
'greater depth'	23%	21%	18%	21%	27%
- Writing					
'expected and above'	68%	72%	84%	70%	78%
'greater depth'	12%	21%	23%	22%	20%
- Maths					
'expected and above'	81%	58%	85%	74%	79%
'greater depth'	22%	21%	27%	22%	27%
Combined					
'expected and above'	65%	58%	80%	52%	65%
'greater depth'	10%	21%	15%	17%	11%

All the primary academies worked closely with parents and carers to support home-learning during the COVID-19 lockdown period. Where families did not have access to suitable electronic devices home-learning was provided in hard copy format, and teachers kept in contact by telephone as well as online. When schools were permitted to reopen the Trust was proactive in returning as many year groups as possible to school before the summer holidays to minimise the negative impact on progression and achievement that inevitably arose due to the lockdown period.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Secondary Results	Heron Hall	National 2020	National 2019
Progress 8	+0.92	0	0
Attainment 8	48.0	N/A	46.5
% students achieving 4+ in English & Maths	63%	N/A	63%
% students achieving 5+ in English & Maths	53%	N/A	43%

Heron Hall Academy continues to deliver better than average GCSE progress and attainment and there has been a marked improvement in 2019/20 especially for the Progress 8 score, which increased from +0.34 to +0.92. The GCSE attainment is better than average in most headline figures (compared to 2018/2019 results). Students made outstanding progress in both Maths, English and EBacc subjects with progress scores of +1.1, +0.8 and +1.0 respectively.

Key financial performance indicators

Pupil numbers

The pupil numbers from the Spring 2020 census are shown below for each individual school. There is an increasingly transient community arising from high rental costs and low availability of affordable housing, which is impacting pupil numbers across the eastern part of the Borough of Enfield. The negative impact of a changing local demographic continues to be seen at both Woodpecker Hall and Cuckoo Hall. The Trust has therefore decided to amalgamate these two academies to form a single four form entry primary academy. The consultation on the amalgamation is taking place during the Autumn Term 2020 with a view to completing the process of combining the two schools for the start of the 2021-22 academic year.

However, Heron Hall continues to be popular with parents with a healthy waiting list for places.

STRATEGIC REPORT (continued)

Key financial performance indicators (continued)

2019-20

Year Group	Cuckoo Hall	Enfield Heights	Heron Hall	Kingfisher Hall	Woodpecker Hall
Nursery	n/a	n/a	n/a	51	102
Reception	57	27	n/a	58	59
Year 1	72	30	n/a	60	57
Year 2	77	27	n/a	57	56
Year 3	88	30	n/a	56	55
Year 4	106	23	n/a	58	54
Year 5	89	26	n/a	56	58
Year 6	119	23	n/a	57	59
Year 7	n/a	n/a	233	n/a	n/a
Year 8	n/a	n/a	235	n/a	n/a
Year 9	n/a	n/a	156	n/a	n/a
Year 10	n/a	n/a	116	n/a	n/a
Year 11	n/a	n/a	83	n/a	n/a
Total	**608**	**186**	**823**	**453**	**500**

Staffing Ratio

The cost of staffing salaries as a proportion of the total expenditure (excluding capital works and depreciation) was 83%% (2019: 80%).

Other Key Financial Performance Indicators

The range of key performance indicators KPIs) that trustees may consider is constantly under review. Trustees consider it essential that they utilise a range of key financial performance indicators that are relevant and applicable to monitoring the performance of the Academy Trust. Trustees also use the DfE school resource management self-assessment tool to benchmark KPIs against similar schools, and curriculum-based planning underlies the budgeting of staffing requirements.

The impact of COVID-19 on costs has been monitored closely and was reflected in the monthly forecast outturns which accompany the Trust's management accounts.

Pupil Premium

The Academy Trust acknowledges the responsibility for 'socially disadvantaged' pupils and is committed to meeting their pastoral, social and academic needs within the academies environment. The Trust is committed to 'Diminishing the Gap' between vulnerable pupils and the pupil premium forms a vital part of that process. CHAT Academies approach the pupil premium through the following principles:

- ensuring that teaching and learning opportunities meet the needs of all the pupils;
- ensuring that appropriate provision is made for pupils who belong to vulnerable groups, including ensuring the needs of socially disadvantaged pupils are adequately assessed and addressed; and

STRATEGIC REPORT (continued)

Key financial performance indicators (continued)

- recognising that not all pupils who receive free school meals will be socially disadvantaged or that not all pupils who are socially disadvantaged are registered or qualify for free school meals.

Provision is made through:

- enabling pupils' access to well-planned education;
- enabling pupils' access to an appropriately planned curriculum; and
- additional support and intervention within the Academy environment.

This will take the form of the following provision:

- small group matched level daily English and Mathematics teaching thus overcoming gaps in learning and accelerating progress;
- 1:1 and small group tutorials in English and Mathematics thus ensuring that all pupils make the best possible progress with no pupils 'slipping through the net';
- intervention programmes to promote behaviour, social skills, expressive language development and homework/curriculum support;
- enrichment programmes to widen pupils' experiences and knowledge through well planned cultural visits and events;
- support from trained staff to promote excellent attendance and punctuality, pastoral programmes and family support;
- additional teaching and learning opportunities provided through learning mentor, counsellors, Educational Psychologist, behaviour support, trained TAs and external agencies;
- reducing class sizes thus improving learning opportunities;
- breakfast and afterschool care;
- after school homework and learning clubs;
- after school curriculum clubs including provision for the more able;
- personalised provision, tailor made to suit individual need;
- speech, language and communication provision;
- behaviour, emotional and social skills provision;
- targeting of able children on Free Schools Meals to achieve National Curriculum level 3 at the end of KS1 or level 5 at the end of KS2; and
- Educational Welfare Officer's commitment to improve attendance.

Pupil Premium of £1,028,468 was received in financial year 2020 (2019: £1,073,773).

STRATEGIC REPORT (continued)

Key financial performance indicators (continued)

Unfortunately, COVID-19 lockdown has inevitably had a negative impact on many of the planned activities to support disadvantaged pupils. However, all the Trust academies particularly focused on ensuring any detrimental impact of home-learning on disadvantage pupils was minimised by making access to learning materials as inclusive as possible.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies on pages 31 to 36.

Promoting the success of the company

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charites Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

The Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they contribute towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values. As an educational charity, the Trust is accountable not only to its direct beneficiaries (the pupils) but also parents and the wider community. These stakeholders support, engage and challenge CHAT. They ensure that the decisions the Trust makes as a charity, from the ground level through to the Board, are for their benefit. The Trust is a values driven organisation and its values mean that it is informed, shaped and powered by its determination to uphold its vision and values. Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect (through the involvement of parents and local people on local governing bodies and Trust Board) ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

Long-term consequences of any decision

Trustees consider the consequences of any strategic decision in the long-term as part of their assessment. They aim to ensure that the Trust balances its income and expenditure to ensure that long-term sustainability. This is balanced against the needs of the pupils, staff and other stakeholders, and the community, to ensure the Trust expends public funds in the most effective way to support its aims, and with integrity. This has included, for example, the decision to amalgamate Cuckoo Hall and Woodpecker Hall academies, in the light of falling pupil numbers, to ensure the continued provision of high quality education on the current site of the two academies.

STRATEGIC REPORT (continued)

The interests of the company's employees

Details of how the Trustees give consideration to the interests of the organisation's employees can be found in the section Engagement with employees within this report.

The need to foster the company's business relationships with suppliers, customers and others

Details of how the Trustees give consideration to the interests of the organisation's other stakeholders can be found in the section Engagement with suppliers, customers and other stakeholders.

The impact of the company's operations on the community and the environment

Details of how the Trustees give consideration to the impact on the community can be found in the section Engagement with suppliers, customers and other stakeholders. Further information is also given in the section on Public Benefit. An example of how the Trust has considered its impact on the local community has been during the COVID-19 crisis, where a decision was made to supply supermarket vouchers to families normally in receipt of free school meals, ahead of the government introducing a national scheme. The Trust has also worked to ensure the schools remained open during holiday periods to support working parents within the local community during the COVID lockdown when other childcare options were not necessarily available.

The desirability of the company maintaining a reputation for high standards of business conduct

The Trust aims to conduct all its relationships with integrity and courtesy, and scrupulously to honour every business agreement. The Trustees have approved a number of policies that help to ensure the charity maintains high standards of business conduct; these include the Investment Policy, Anti Fraud Policy, Whistleblowing Policy, and Gifts and Hospitality Policy.

The need to act fairly as between members of the company

All members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact trustees or senior leadership, and being invited to participate in training or strategic development events; for example, all Members were invited to participate in our recent Trust Strategy Day.

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential impacts and risks for stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

FINANCIAL REVIEW

Financial report for the year

The financial position of the Academy Trust at the year ended 31 August 2020 is shown on page 33.

The vast majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust's total income for the year ended 31 August 2020 amounted to £16,501,000 (2019: £15,758,000), including £14,834,000 (2019: £13,798,000) related to ESFA revenue grants, and £324,000 (2019: £367,000) related to capital grants.

The Academy Trust held a fund balance of £29,613,000 (2019: £33,459,000) at 31 August 2020 which includes a surplus on unrestricted funds before transfers of £536,000 (2019: £732,000). Restricted funds at 31 August 2020 amounted to £28,049,000 (2019: £31,963,000).

The Academy Trust has also received grants for fixed assets from the DfE for the building costs of Heron Hall Academy. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy Trust's accounting policies.

Financial and risk management objectives and policies

The Academy Trust has agreed a risk management strategy and a risk register. These have been discussed by the trustees and include the financial risks to the schools. The register is constantly reviewed in light of any new information and formally reviewed through the Audit Committee on a regular basis.

Principal risks and uncertainties

The Academy Trust's principal risks and uncertainties are surrounding the future financing of education and the implications for the Academy Trust. In the current economic climate, we are unable to predict with any certainty the financing of schools, especially with the current proposals to move to a new National Funding Formula. Nevertheless with the academies' cost base, rigorous curriculum based planning and pooling of GAG funding as an Academy Trust we believe we are well placed to meet the financial uncertainties we will face in the future. The trustees seek to ensure that there are appropriate structures to meet the needs of the organisation as a Multi-Academy Trust.

The COVID-19 pandemic also poses a substantial financial and operational risk in both the short-term, with significant additional costs arising to keep the Trust's academies COVID-19 secure, and the medium-term, with the impact on pupil progression and achievement yet to be fully apparent.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

The trustees have considered strategic risks and uncertainties rather than the detailed operational list. These strategic risks, in addition to the risks identified above, focused on the following areas:

- cost pressures on revenue budgets for primary academies exacerbated by falling pupil numbers make setting a balanced budget for the next 3 years a significant challenge;
- inability to maintain the Trust estate and replace equipment on a timely basis due to budgetary constraints;
- inability to adequately support pupils with EHCPs due to insufficient funding; and
- inability to deliver a high quality wider curriculum at primary level due to inexperienced staff.

Trustees identify the likelihood of each risk happening via RAG ('Red', 'Amber', 'Green') ratings, their impact, the response to the risk and the control procedures in place to meet the risk.

Reserves policy

The trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees expect to see the revenue budget for the coming financial year to be balanced within that year's income and not to utilise any of the previous year's underspend in order to balance the budget.

Reserves, from any previous years underspend, may be utilised for infrastructure, academy improvement, or for urgent health and safety matters. The minimum target for these reserves is equal to at least one month's average payroll costs. This level of reserves is intended to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The trustees have also identified the need for a separate designated reserve to be created to provide for future repairs and maintenance. Some of the Trust estate is in poor condition and the trustees wish to make prudent provision for costs likely to arise in future years. The Academy Trust's current level of free reserves (total funds less the amounts held as fixed asset funds and pension reserve) is £1,564,000 (2019: £1,496,000). During the year the Trust has used some of its free reserves to contribute to the cost of the roofing upgrade project at Cuckoo Hall Academy which is 80% funded by a Condition Improvement Fund grant from the ESFA.

Investment policy

The Academy Trust currently holds no investments. Current accounts were held with NatWest bank during the year and any surplus funds above £1,000 were swept at the end of the banking day to a Business Interest Reserve Account which pays a higher rate of interest.

FUNDRAISING

The Academy Trust only held small fundraising events predominantly to raise funds for third party charities. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of the fundraising events.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	**4,021,393**
Energy consumption break down (kWh) (optional)	
♦ gas,	3,003,533
♦ electricity,	998,582
♦ transport fuel	17,846
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	552.26
Owned transport – mini-buses	4.48
Total scope 1	556.74
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	232.81
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	0.25
Total gross emissions in metric tonnes CO2e	**789.80**
Intensity ratio	
Tonnes CO2e per pupil (including Nursery)	**0.31**
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** Solar panels are installed on four out of the five academies which reduces the requirements for electricity from the National Grid. The Trust has started a review of lighting throughout the Trust estate to evaluate the cost-efficiency of replacing older lighting with modern energy-efficient LED-based solutions.	

PLANS FOR FUTURE PERIODS

The Trustees, in consultation with staff, parents and pupils, have further developed the three-year strategy for the Trust "Stronger Together". This has the over-arching aim of providing every child and young person associated with the Trust with an enriching and inspiring educational experience, where they can thrive academically and socially, both during the time with the Trust and in the future.

The key objectives for the next three years are grouped into five themes.

1. **Preparing students for the future**
   - In partnership with parents, ensuring students are ready to learn
   - Enriching and inspiring teaching, learning and curriculum
   - Future-focused learning experiences
   - Providing an education in the roundest sense.
2. **Schools at the heart of their communities**
   - High quality and free support for parents and parenting
   - Responding to the needs of our community, respecting diversity
   - Working with a range of selected local and national partners
3. **An employer of choice for our staff**
   - Providing an environment for meaningful work
   - Provision of career pathways and professional development
   - Nurturing professional communities and shared resources
   - Promoting flexible approaches to working wherever possible
4. **High quality leadership**
   - Recruiting and retaining excellent leaders
   - Developing Trust leaders through experience, coaching and mentoring
   - Investing in formal continuing professional development and training
5. **A sustainable Trust**
   - Enacting committed governance
   - Maintaining financial viability
   - Implementing and sustaining efficient and effective central systems and processes
   - Developing an estates strategy to ensure appropriate buildings and learning environments

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of others.

AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the board of trustees on 15 December 2020 and signed on its behalf by:



Dr D Graham
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

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

The trustees have 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 the Academy Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The board of trustees has formally met seven times during the year, and attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr M Charalambous	7	7
Dr D Graham	7	7
Prof A O'Hear	2	3
Mrs S Rubenstein	7	7
Prof D M Hewitt	5	7
Mr D Broadbent	7	7
Mr R Bryant	7	7
Ms J Tosh	6	7
Ms S El Hadri	7	7
Mr A Ayoade	1	1

The Finance, Risk and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to assist the board in ensuring sound management of the Academy Trust's finances and resources, including proper planning and monitoring and ensuring that there is probity; and also to consider matters relating to internal controls, risk management and auditors' reports (internal and external). The committee recommended approval of the budgets for 2020-21 for CHAT and its academies, as well as monitoring in-year financial performance.

Attendance at Finance, Risk and Audit Committee meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr M Charalambous	3	3
Dr D Graham	3	3
Ms S El Hadri	3	3

GOVERNANCE STATEMENT (continued)

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.

Following the principles of PPN 02/20 and PPN 04/20, the Trust continued to pay agencies during the COVID-19 lockdown in respect of long-term agency placements that were unable to work at the closed academies. However, this was the only incidence of value for money being compromised as a result of the COVID-19 pandemic.

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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year as per the following:

- The Trust has established a centralised purchasing function, which collates and processes all purchase orders for the Trust. A commitment based accounting system requires all requisitions to be authorised by the relevant budget holder and prevents financial commitments in excess of budget.
- Pay costs are controlled centrally and each post is reviewed when it becomes vacant to ensure that staffing levels are as efficient as possible. A curriculum based approach to financial planning supports the development of efficient staffing structures across the Trust.
- Central administrative staffing has been reduced by not replacing the Head of HR with oversight of the HR Team being incorporated into the Chief Financial Officer's role.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 at the Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Risk and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees had appointed Buzzacott, the external auditor, to carry out a programme of internal checks on the Academy Trust's financial systems. Due to the COVID-19 restrictions only one of the three planned scrutiny visits was undertaken. This was a review of the effectiveness of the internal controls relating to the operation of the accounting system, income recognition, purchasing and payroll.

The newly revised FRC Ethical Standard prohibits the use of the external auditor to undertake internal scrutiny so the trustees will be appointing another registered auditor to undertake internal scrutiny in 2020/21.

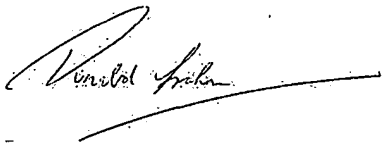
Review of effectiveness

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 external firm reviewing the financial systems;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance, Risk and Audit Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees and signed on their behalf by:





Dr D Graham
(Chair of Trustees)

Mr M Charalambous
(Accounting Officer)

Approved on: 15 December 2020

Statement on regularity, propriety and compliance 31 August 2020

As Accounting Officer of Cuckoo Hall Academies Trust, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of 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.

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.



Mr M Charalambous
Accounting Officer

Date: 15 December 2020

Statement of trustees' responsibilities 31 August 2020

The trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

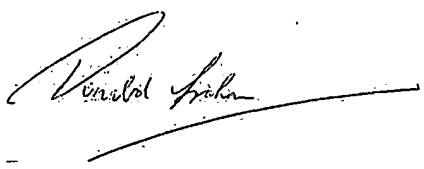
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting 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 Academy Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust 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 Academy Trust 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 the 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 and signed on its behalf by:



Dr D Graham
Chair of Trustees

Date: 15 December 2020

Independent auditor's report to the members of Cuckoo Hall Academies Trust

Opinion

We have audited the financial statements of Cuckoo Hall Academies Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

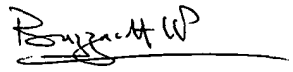
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Avnish Savjani (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 18 December 2020

Independent reporting auditor's assurance report on regularity to Cuckoo Hall Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 April 2016 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 Cuckoo Hall Academies Trust during the period from 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 Cuckoo Hall Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cuckoo Hall Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cuckoo Hall Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cuckoo Hall Academies Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Cuckoo Hall Academies Trust's funding agreement with the Secretary of State for Education dated 19 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Approach (continued)
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion
Nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 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.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

18 December 2020

Statement of financial activities (including income and expenditure account) Year to 31 August 2020

		Unrestricted general fund £'000	Restricted funds: General £'000	Restricted funds: Fixed assets fund £'000	**2020 Total funds £'000**	2019 Total funds £'000
Income from:						
Donations and capital grants	1	—	—	324	**324**	367
Charitable activities						
. Funding for the academies' educational operations	4	—	15,641	—	**15,641**	14,659
Other trading activities	2	533	—	—	**533**	727
Investments	3	3	—	—	**3**	5
Total income		536	15,641	324	**16,501**	15,758
Expenditure on:						
Charitable activities						
. Academies' educational operations	6	—	16,868	1,122	**17,990**	17,331
Total expenditure		—	16,868	1,122	**17,990**	17,331
Net income (expenditure)		536	(1,227)	(798)	**(1,489)**	(1,573)
Transfers between funds	15	(468)	388	80	—	—
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	18	—	(2,357)	—	**(2,357)**	(985)
Net movement in funds		68	(3,196)	(718)	**(3,846)**	(2,558)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		1,496	(2,888)	34,851	**33,459**	36,017
Total fund balances carried forward at 31 August 2020		1,564	(6,084)	34,133	**29,613**	33,459

All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible fixed assets	12		**34,133**		34,851
Current assets					
Debtors	13	**541**		660	
Cash at bank and in hand		**2,238**		2,024	
		2,779		2,684	
Liabilities					
Creditors: amounts falling due within one year	14	**(1,215)**		(1,188)	
Net current assets			**1,564**		1,496
Total assets less current liabilities			**35,697**		36,347
Net assets excluding pension scheme liability			**35,697**		36,347
Defined benefit pension scheme liability			**(6,084)**		(2,888)
Total net assets			**29,613**		33,459
Funds of the Academy					
Restricted funds					
. Fixed asset fund	15		**34,133**		34,851
. Restricted ESFA fund	15		**—**		—
. Pension reserve	15		**(6,084)**		(2,888)
Total restricted funds			**28,049**		31,963
Unrestricted income funds					
. General fund	15		**1,218**		1,150
Designated fund	15		**346**		346
Total funds			**29,613**		33,459

The financial statements on page 28 to 58 were approved by the trustees, and authorised for issue and are signed on their behalf by:

Dr D Graham
Chair

Date: 15 December 2020

Cuckoo Hall Academies Trust
Company Limited by Guarantee
Registration Number: 07355559 (England and Wales)

Statement of cash flows Year to 31 August 2020

		2020 £'000	2019 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	**297**	(57)
Cash flows from investing activities	B	**(83)**	(727)
Change in cash and cash equivalents in the year		**214**	(784)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		**2,024**	2,808
Cash and cash equivalents at 31 August 2020	C	**2,238**	2,024

A Reconciliation of net (expenditure) income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net (expenditure) income for the year (as per the statement of financial activities)	**(1,489)**	(1,573)
Adjusted for:		
Depreciation charges (note 12)	**1,122**	1,207
Capital grants from DfE/ESFA and other capital income	**(324)**	(367)
Interest receivable (note 3)	**3**	5
Defined benefit pension scheme cost less contributions payable (note 18)	**789**	728
Defined benefit pension scheme finance cost (note 18)	**50**	26
Decrease/(increase) in debtors	**119**	(236)
(Decrease)/increase in creditors	**27**	153
Net cash provided by operating activities	**297**	(57)

B Cash flows from investing activities

	2020 £'000	2019 £'000
Dividends, interest and rents from investments	**(3)**	(5)
Purchase of tangible fixed assets	**(404)**	(1,089)
Capital grants from DfE/ESFA	**324**	367
Net cash used in investing activities	**(83)**	(727)

C Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	**2,238**	2,024
Total cash and cash equivalents	**2,238**	2,024

D Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	**At 31 August 2020 £'000**
Cash			
Cash equivalents	2,024	214	**2,238**
	2,024	214	**2,238**
Total	2,024	214	**2,238**

Statement of accounting policies

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

Basis of preparation

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

Cuckoo Hall Academies Trust meets the definition of a public benefit entity under FRS 102. These financial statements are presented in sterling and rounded to the nearest thousand pounds.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Income (continued)

***Grants** (continued)*
Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

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

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 stated net of recoverable VAT.

Tangible fixed assets
Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

- Freehold and leasehold buildings 50 years
- Fixtures, fittings and equipment 5 years
- Long-life equipment 10 years
- Motor vehicles 5 years

A full year of depreciation is charged in the year of acquisition.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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

Leased assets
Rentals under operating leases are charged on a straight line basis over the lease term.

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

Financial instruments (continued)

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

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

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, London Borough of Enfield.

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

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

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions *(continued)*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There have been no judgements made in the preparation of these financial statements that are considered to have had a significant impact.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	**2020 Total funds £'000**
Capital grants	—	324	**324**
	—	324	**324**

	Unrestricted funds £'000	*Restricted funds £'000*	*2019 Total funds £'000*
Capital grants	—	*367*	*367*
	—	*367*	*367*

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	**2020 Total funds £'000**
Hire of facilities	105	—	**105**
Trip income	38	—	**38**
Catering income	252	—	**252**
Miscellaneous income	138	—	**138**
	533	—	**533**

	Unrestricted funds £'000	*Restricted funds £'000*	*2019 Total funds £'000*
Hire of facilities	*73*	—	*73*
Trip income	*65*	—	*65*
Catering income	*344*	—	*344*
Miscellaneous income	*245*	—	*245*
	727	—	*727*

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	**2020 Total funds £'000**
Interest receivable	3	—	**3**
	3	—	**3**

	Unrestricted funds £'000	*Restricted funds £'000*	*2019 Total funds £'000*
Interest receivable	*5*	—	*5*
	5	—	*5*

4 Funding for academies' educational operations

	Unrestricted funds £'000	Restricted funds £'000	**2020 Total funds £'000**
DfE/ESFA grants			
General Annual Grant (GAG)	—	12,691	**12.691**
Other DfE/ESFA grants	—	2,032	**2,032**
ITT Bursaries grants	—	111	**111**
	—	14,834	**14,834**
Other government grants			
Local authority grants	—	798	**798**
Department of Health	—	2	**2**
	—	800	**800**
Exceptional government funding			
Coronavirus exceptional support	—	7	**7**
	—	7	**7**
2020 total funds	—	15,641	**15,641**

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

- The funding received for coronavirus exceptional support covers £6,975 of supermarket vouchers provided for free school meal pupils before the national scheme was started. These costs are included in notes 5 and 6 below as appropriate.

4 Funding for academies' educational operations (continued)

	Unrestricted funds £'000	*Restricted funds £'000*	*2019 Total funds £'000*
DfE/ESFA grants			
General Annual Grant (GAG)	—	*12,026*	*12,026*
Other DfE/ESFA grants	—	*1,598*	*1,598*
National College grants	—	*174*	*174*
	—	*13,798*	*13,798*
Other government grants			
Local authority grants	—	*857*	*857*
Department of Health	—	*4*	*4*
	—	*861*	*861*
2019 total funds	—	*14,659*	*14,659*

5 Expenditure

		Non pay expenditure		
	Staff costs £'000	Premises £'000	Other costs £'000	**2020 Total funds £'000**
Expenditure on raising funds				
Academies' educational operations				
. Direct costs	10,437	1,122	1,332	**12,891**
. Allocated support costs	3,589	730	780	**5,099**
2020 total funds	14,026	1,852	2,112	**17,990**

Net income for the year includes:	**2020 £'000**
Operating lease rentals	**49**
Depreciation	**1,122**
Fees payable to auditor	
. Statutory audit	**14**
. Other services	**11**

5 Expenditure (continued)

		Non pay expenditure		
	Staff costs £'000	*Premises £'000*	*Other costs £'000*	*2019 Total funds £'000*
Expenditure on raising funds				
Academies' educational operations				
. Direct costs	*9,222*	*1,207*	*1,492*	*11,921*
. Allocated support costs	*3,702*	*778*	*930*	*5,410*
2019 total funds	*12,924*	*1,985*	*2,422*	*17,331*

Net income for the year includes:	*2019 £'000*
Operating lease rentals	*60*
Depreciation	*1,207*
Fees payable to auditor	
. Statutory audit	*13*
. Other services	*8*

Included within expenditure in 2020 is a compensation payment of £nil which was paid because the cost of the compensation payment was less than the cost of defending the tribunal case brought by the ex-employee (2019 - £8,978).

6 Charitable activities – academies' educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	**12,891**	11,921
Support costs	**5,099**	5,410
	17,990	17,331

Analysis of support costs	**2020 Total funds £'000**	2019 Total funds £'000
Support staff costs	**3,589**	3,702
Technology costs	**222**	250
Premises costs	**730**	778
Legal costs – other	**49**	42
Other support costs	**463**	557
Governance costs	**46**	81
Total support costs	**5,099**	5,410

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted funds: General £'000	Restricted funds: Fixed assets fund £'000	**2019 Total funds £'000**
Income from:				
Donations and capital grants	—	—	367	**367**
Charitable activities				
. Funding for the academies' educational operations	—	14,659	—	**14,659**
Other trading activities	727	—	—	**727**
Investments	5	—	—	**5**
Total income	732	14,659	367	**15,758**
Expenditure on:				
Charitable activities				
. Academies' educational operations	—	16,124	1,207	**17,331**
Total expenditure	—	16,124	1,207	**17,331**
Net income (expenditure)	732	(1,465)	(840)	**(1,573)**
Transfers between funds	(878)	156	722	—
Other recognised gains and losses				
Actuarial losses on defined benefit pension scheme	—	(985)	—	**(985)**
Net movement in funds	(146)	(2,294)	(118)	**(2,558)**
Reconciliation of funds				
Total fund balances brought forward at 1 September 2018	1,642	(594)	34,969	**36,017**
Total fund balances carried forward at 31 August 2019	1,496	(2,888)	34,851	**33,459**

8 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	**9,710**	9,259
Social security costs	**980**	913
Pension costs	**2,397**	1,911
	13,087	12,083
Supply staff costs	**763**	841
Other restructuring costs	**176**	—
	14,026	12,924

8 Staff (continued)

(a) Staff costs (continued)

Staff restructuring costs comprise:	**2020 Total funds £'000**	2019 Total funds £'000
Redundancy payments	**34**	—
Severance payments	**33**	—
Other restructuring costs	**109**	—
	176	—

During the year, non-contractual severance payments totalling £33,000 (2019: £nil) were made to five employees.

(b) Staff numbers

The number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020, expressed as average headcount, was as follows:

Charitable activities	**2020 No.**	2019 No.
Teachers	**143**	139
Administration and support	**206**	194
Management	**7**	7
	356	340

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	**5**	6
£70,001 - £80,000	**4**	2
£80,001 - £90,000	**1**	1
£90,001 - £100,000	**—**	2
£100,001 - £110,000	**2**	—
£110,001 - £120,000	**2**	1

Eight of the above employees participated in the Teachers' Pension Scheme. Three of the above employees participated in the Local Government Pension Scheme. Details of these schemes are provided in note 18.

(d) 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 £908,035 (2019: £772,564).

9 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

	2020 £'000	2019 £'000
Mr M Charalambous, CEO		
. Remuneration	**115 – 120**	110 - 115
. Employer's pension contributions	**15 – 20**	15 - 20

During the year ended 31 August 2020, travel and subsistence expenses totalling £529 (2019: £842) were reimbursed to two trustees (2019: three) in their role as trustees.

10 Central services

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

- human resources;
- financial and administration services;
- legal services;
- educational support services; and
- operational support.

The Trust charges for these services on the basis of full cost recovery as a percentage of GAG net of central income (2019: a combination of head count and pupil numbers).

The actual amounts charged during the year were as follows:

	2020 £'000	2019 £'000
Cuckoo Hall Academy	**298**	606
Heron Hall Academy	**474**	500
Kingfisher Primary Academy	**176**	340
Woodpecker Hall Academy	**174**	299
Enfield Heights Academy	**86**	137
	1,208	1,882

11 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 was included within a wider policy (as in 2019).

12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Assets under const-ruction £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	**Total £'000**
Cost/valuation						
At 1 September 2019	10,618	26,878	201	2,941	34	**40,672**
Additions	—	—	265	139	—	**404**
Transfers	423	—	(423)	—	—	—
At 31 August 2020	11,041	26,878	43	3,080	34	**41,076**
Depreciation						
At 1 September 2019	1,344	2,500	—	1,943	34	**5,821**
Charge in year	234	546	—	342	—	**1,122**
At 31 August 2020	1,578	3,046	—	2,285	34	**6,943**
Net book value						
At 31 August 2020	**9,463**	**23,832**	**43**	**795**	—	**34,133**
At 31 August 2019	9,274	24,378	201	998	—	**34,851**

The land on which Cuckoo Hall and Enfield Heights are sited is owned by the Academy Trust. For the purposes of these financial statements, the freehold land is deemed to have no commercial value.

The land on which Woodpecker Hall Academy is sited is currently leased from the London Borough of Enfield at a peppercorn rent over a term of 125 years. The land on which Kingfisher Hall Academy is sited is currently leased from the College of Haringey, Enfield and North East London at a peppercorn rent over a term of 125 years. The land on which Heron Hall Academy is sited is currently leased from the Secretary of State for Communities and Local Government at a peppercorn rent over a term of 125 years. The value of the leasehold land has not been included in these financial statements because the sites are designated for educational purposes only and have no open market value.

13 Debtors

	2020 £'000	2019 £'000
Trade debtors	**13**	32
VAT recoverable	**78**	133
Other debtors	**14**	—
Prepayment and accrued income	**436**	495
	541	660

14 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	**363**	423
Taxation and social security	**275**	219
Other creditors	**205**	183
Accruals and deferred income	**372**	363
	1,215	1,188
Deferred income		
Deferred income at 1 September 2019	**244**	199
Resources deferred in the year	**212**	244
Released during the year	**(244)**	(199)
Deferred income at 31 August 2020	**212**	244

15 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	**Balance at 31 August 2020 £'000**
Restricted general funds					
. General Annual Grant (GAG)	—	12,691	(13,079)	388	—
. Pupil Premium	—	1,029	(1,029)	—	—
. Other grants	—	1,921	(1,921)	—	—
. Pension reserve	(2,888)	—	(839)	(2,357)	**(6,084)**
	(2,888)	15,641	(16,868)	(1,969)	**(6,084)**
Restricted fixed assets fund					
. Transfer on conversion	5,747	—	(185)	—	**5,562**
. DfE/ESFA capital grants	27,846	324	(896)	—	**27,274**
. Capital expenditure from GAG	422	—	(14)	—	**408**
. Capital expenditure - other restricted	765	—	(25)	80	**820**
. Private sector capital sponsorship	71	—	(2)	—	**69**
	34,851	324	(1,122)	80	**34,133**
Total restricted funds	31,963	15,965	(17,990)	(1,889)	**28,049**
Unrestricted funds					
. General funds	1,150	536	—	(468)	**1,218**
. Designated funds	346	—	—	—	**346**
Total unrestricted funds	1,496	536	—	(468)	**1,564**
Total funds	33,459	16,501	(17,990)	(2,357)	**29,613**

15 Funds (continued)

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

General Annual Grant (GAG)
The General Annual Grant (GAG) represents the core funding for the educational activities of the academies that has been provided to the Academy Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academies. GAG was received for all CHAT Academies in 2020.

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

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. Future GAG funding from the ESFA is expected to be sufficient to fund the deficit.

The other restricted grants represent incoming resources for the following specific purposes:

Other DfE/ESFA Grants
This is comprised of other funding received from either the ESFA or DfE; mainly NCTL and UIFSM funding.

Local Authority Grants
Local authority funding comprises SEN and Early Years funding.

Restricted fixed assets fund
The donated fixed assets on conversion and acquisition fund was set up to recognise the tangible assets gifted to the Academy Trust upon conversion by the local authority, which represent the school site inherited from the local authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The capital expenditure from GAG, other restricted and unrestricted funds have been set up to recognise the tangible assets purchased using these respective funds. Depreciation charged on these purchased assets is allocated to the funds.

Designated fund
The trustees have identified the need for a separate designated reserve to be created to provide for future repairs and maintenance. Some of the Trust estate is in poor condition and the trustees wish to make prudent provision for costs likely to arise in future years.

15 Funds (continued)

Analysis of academies by fund balance

All fund balances are held by the Trust:

	2020 £'000	2019 £'000
Central Trust	**1,564**	1,496
Total before fixed assets and pension reserve	**1,564**	1,496
Restricted fixed asset fund	**34,133**	34,851
Pension reserve	**(6,084)**	(2,888)
Total	**29,613**	33,459

Analysis of Academies by cost

Expenditure incurred by each academy during the year was as follows (excluding depreciation which is not allocated between entities):

	Teaching and educational support staff Costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	**2020 Total £'000**
Cuckoo Hall Academy	2,495	569	312	356	**3,732**
Enfield Heights Academy	679	203	90	102	**1,074**
Heron Hall Academy	3,599	755	373	497	**5,224**
Kingfisher Hall Academy	1,351	580	183	224	**2,338**
Woodpecker Hall Academy	1,406	408	211	199	**2,224**
Central Trust	303	1,678	160	135	**2,276**
	9,833	4,193	1,329	1,513	**16,868**

	Teaching and educational support staff Costs £'000	*Other support staff costs £'000*	*Educational supplies £'000*	*Other costs (excluding depreciation) £'000*	*2019 Total £'000*
Cuckoo Hall Academy	*2,688*	*349*	*368*	*521*	*3,926*
Enfield Heights Academy	*558*	*79*	*95*	*119*	*851*
Heron Hall Academy	*2,727*	*288*	*354*	*418*	*3,787*
Kingfisher Hall Academy	*1,456*	*196*	*201*	*296*	*2,149*
Woodpecker Hall Academy	*1,123*	*172*	*195*	*256*	*1,746*
Central Trust	*31*	*3,257*	*274*	*103*	*3,665*
	8,583	*4,341*	*1,487*	*1,713*	*16,124*

15 Funds (continued)

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	**Balance at 31 August 2019 £'000**
Restricted general funds					
. General Annual Grant (GAG)	555	12,026	(12,737)	156	—
. Pupil Premium	—	1,074	(1,074)	—	—
. Other grants	—	1,559	(1,559)	—	—
. Pension reserve	(1,149)	—	(754)	(985)	**(2,888)**
	(594)	14,659	(16,124)	(829)	**(2,888)**
Restricted fixed assets fund					
. Transfer on conversion	5,952	—	(205)	—	**5,747**
. DfE/ESFA capital grants	28,461	367	(982)	—	**27,846**
. Capital expenditure from GAG	437	—	(15)	—	**422**
. Capital expenditure - other restricted	45	—	(2)	722	**765**
. Private sector capital sponsorship	74	—	(3)	—	**71**
	34,969	367	(1,207)	722	**34,851**
Total restricted funds	34,375	15,026	(17,331)	(107)	**31,963**
Unrestricted funds					
. General funds	1,642	732	—	(1,224)	**1,150**
. Designated funds	—	—	—	346	**346**
Total unrestricted funds	1,642	732	—	(878)	**1,496**
Total funds	36,017	15,758	(17,331)	(985)	**33,459**

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	**Total 2020 £'000**
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	34,133	**34,133**
Current assets	1,564	1,215	—	**2,779**
Current liabilities	—	(1,215)	—	**(1,215)**
Pension scheme liability	—	(6,084)	—	**(6,084)**
Total net assets	1,564	(6,084)	34,133	**29,613**

	Unrestricted funds £'000	*Restricted General Funds £'000*	*Restricted Fixed Asset Fund £'000*	*Total 2019 £'000*
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	—	—	*34,851*	*34,851*
Current assets	*1,496*	*1,188*	—	*2,684*
Current liabilities	—	*(1,188)*	—	*(1,188)*
Pension scheme liability	—	*(2,888)*	—	*(2,888)*
Total net assets	*1,496*	*(2,888)*	*34,851*	*33,459*

17 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

18 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2019 and of the LGPS 31 March 2019.

£185,177 (2019: £147,597) was outstanding at the end of the financial year. There were no prepaid contributions at either the beginning or end of the financial year.

18 Pension and similar obligations (continued)

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 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; and
- 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.

The employer's pension costs paid to TPS in the period amounted to £1,082,000 (2019: £683,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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.

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £689,000 (2019 - £647,000) of which employer's contributions totalled £500,000 (2019 - £463,000) and employees' contributions totalled £189,000 (2019 - £184,000). The agreed contribution rates for future years are 17.9% for employers and 5.5-11.4% for employees.

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

Principal Actuarial Assumptions	**At 31 August 2020 %**	At 31 August 2019 %
Rate of increase in salaries	**3.7**	3.6
Rate of increase for pensions in payment / inflation	**2.2**	2.1
Discount rate for scheme liabilities	**1.7**	1.9
Inflation assumption (RPI)	**3.2**	3.1
Inflation assumption (CPI)	**2.2**	2.1
Pension accounts revaluation rate	**2.2**	2.1

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	**22**	23
Females	**24**	26
Retiring in 20 years		
Males	**23**	25
Females	**25**	28

The effect on the net pension liability as a result of changes in actuarial assumption would be as follows:

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.1%	**(357)**	(211)
Discount rate -0.1%	**370**	216
Mortality assumption – 1 year increase	**(459)**	(301)
Mortality assumption – 1 year decrease	**459**	304

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	**3,081**	2,813
Bonds	**1,467**	1,704
Property	**393**	441
Cash and other liquid assets	**1,727**	1,170
Total market value of assets	**6,668**	6,128

The actual return on scheme assets was £55,000 (2019: £145,000).

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service cost	**1,289**	322
Past service cost	**—**	406
Interest income	**(122)**	(149)
Interest cost	**172**	175
Total amount recognised in the SOFA	**1,339**	754

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September	**(9,016)**	(6,120)
Current service cost	**(1,289)**	(785)
Past service cost	**—**	(406)
Interest cost	**(172)**	(175)
Employee contributions	**(189)**	(184)
Actuarial loss	**(2,180)**	(1,279)
Benefits paid	**94**	(67)
At 31 August	**(12,752)**	(9,016)

18 Pension and similar obligations (continued)

***Local Government Pension Scheme (LGPS)** (continued)*

Changes in the fair value of the Academy's share of scheme assets:	**2020 £'000**	2019 £'000
At 1 September	**6,128**	4,971
Interest income	**122**	149
Actuarial (loss)/gain	**(177)**	294
Employer contributions	**500**	463
Employee contributions	**189**	184
Benefits paid	**(94)**	67
At 31 August	**6,668**	6,128

19 Related party transactions

Owing to the nature of the Academy Trust's operations 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 a member or a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

20 Capital commitments

	2020 £'000	2019 £'000
Contracted for, but not provided in the financial statements	**1,063**	239

21 Commitments under operating leases

	2020 £'000	2019 £'000
Amounts due within one year	**42**	56
Amounts due between one and five years	**49**	88
	91	144