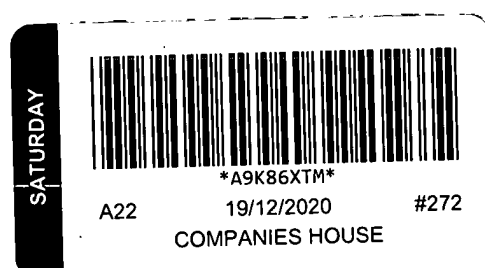


Company Registration Number: 07375627 (England & Wales)

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Mark Mishon (resigned 21 November 2019) Mr Anthony Ugorji Mr Rudi Ramdarshan Dr Alan Davison (resigned 12 December 2019) Mr Mike Bourke (appointed 21 November 2019) Mrs Sarah Lawrence (appointed 21 November 2019)
Trustees	Mrs Gonul Daniels (resigned 3 December 2020) Ms Nicola Stapleton Mrs Allison Walling Mr Mark Mishon (resigned 21 November 2019) Mr Anthony Ugorji Mr Rudi Ramdarshan (appointed Chair 1 December 2019) Dr Alan Davison (deceased 8 October 2020) Mr Emanuele Vadilonga Mr Derrick Brown, CEO and Accounting Officer Mr Jon Bradbury (resigned 13 October 2020)
Company registered number	07375627 (Registered in England and Wales)
Company name	Ashmole Academy Trust Ltd
(Charity registration number for Educational Foundation only)	
Principal and registered office	Cecil Road London N14 5RJ

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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

Company secretary	Ms Melissa Brennan
Senior management team	Mr Derrick Brown, CEO Ms Melissa Brennan, CFO Mr Tim Sullivan, Associate Head Mr Chris Tofallis, Head Teacher of Primary School
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Barclays Bank plc 1250 High Road Whetstone London N20 0WE
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees who are also the Directors of the charity for the purposes of the Companies Act present their annual report together with the financial statements and auditors' reports of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates a non-selective Multi Academy Trust (MAT of two schools) for pupils aged 4 to 19 with admissions based on a published set of admissions criteria as found on our website. It has a pupil capacity of 1807 and a roll of 2074 in the school census on 1 October 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee, incorporated in England and Wales and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Academy is a multi-academy Trust and these Financial Statements are the results of the multi academy Trust.

The Trustees of Ashmole Academy Trust Ltd are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Ashmole Academy Trust Ltd. The charitable company's memorandum and Articles of Association are the primary governing documents of The Academy Trust. During the year, two individual schools operated under their own names:

- Ashmole Primary School
- Ashmole Academy

Details of the Trustees who served throughout the year 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 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. The insurance was covered by the Department of Education's Risk Protection Arrangement (RPA) and provides cover up to £10,000,000 on any one claim and in the period no sums were paid out. The cost of this insurance in the year was £31k and the amount relating to indemnity insurance cannot be separately identified.

Method of Recruitment and Appointment or Election of Trustees

The Trustees are appointed by the Members based on the needs of the Trust. The Members will use external providers including the Department of Education, Academies Ambassadors and Confederation of School Trusts to assist in this in the identification and selection of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Policies and Procedures for the recruitment, induction and training of Governors and Trustees are available from the Clerk to the Trustees.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Organisational Structure

Ashmole Academy became a 'converter' Academy as an outstanding school on 1 October 2010. It has approximately 1774 students with an intake of 261 at Year 7. The Academy has a Sixth Form of 475. The Primary School has 300 pupils.

The Academy is led by a Headteacher and a Leadership Team consisting of an Associate Headteacher, a Chief Finance Officer and Deputy Headteachers. The Leadership Team is responsible for the operation of the school adhering to policies and procedures determined by the Trust or the Headteacher. The Leadership Team is accountable to the Headteacher. The Primary School is led by a Headteacher.

Each of the two schools within the Multi Academy Trust has a local advisory body that operated under delegated powers as laid out in the scheme of delegation. The advisory committees influence the strategic development of the individual schools and have a role in shaping policy and in supporting the Board of Trustees in governance.

The Headteachers have delegated spending authority as detailed and published by the Trustees. In the Academy and the Primary some of the Headteacher's delegated authority may be delivered to members of the Leadership Team and or Heads of Departments within limits allocated.

Arrangements for setting pay and remuneration of key management personnel

The Trustees are not remunerated in their role as Trustees. The Key Management Personnel of the Academy are the Senior Leadership Team. The remuneration of the Senior Leadership Team is reviewed by the Headteacher and Governors for the Academy. The remuneration for the Primary is reviewed by the CEO and Chair. The remuneration of the Headteacher is discussed by the Trustees following regular appraisals.

The policy for decisions on pay for employees of Multi Academy Trust's complies with current legislation and the requirements of the School Teachers' Pay & Conditions Document and the Conditions of Service for School Teachers in England and Wales (commonly known as the "Burgundy Book"), the National Joint Council for Local Government Services National Agreement on Pay & Conditions of Services ("Green Book") and any local pay/grading system for support staff. The policy has been consulted on with staff and the recognised trade union.

Trade Union facility time

There were no employee union officials during the year, and no funds were spent on union facility time.

Related parties and other connected charities and organisations

Ashmole Academy Trust is independent and is not part of any federation.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Ashmole Academy and the Primary to provide education for male or female students of different abilities between the ages of 4 and 19. The Academy and Primary are both inclusive, comprehensive schools which welcome applications from all young people as outlined by the published admissions policy.

The charitable company has adopted policies approved by the Secretary of State for Children, Schools and Families. These policies specify, amongst other things, the basis for admitting students to the Academy and the Primary and that the curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The Trust motto is 'excellence is a habit', and that underpins the commitment to provide the highest standard of education at its two schools. The aim and values of the two schools are on the website.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trust is distinguished by:

- a brand new primary school building which opened on 1st September 2018
- an educational campus providing education for young people between the ages of 4 and 19
- highest quality facilities, both indoor and outdoor
- an outstanding staff, talented, dedicated and innovative
- outstanding academic progress and achievement for its students

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The Ashmole Academy Trust promotes education for the benefit of the local community in Southgate. In addition to the Education activities for the pupils, the Academy Trust offers recreational and other facilities to a variety of local Community groups outside of school hours for the benefit of the general public. There has been an impact on usage of these facilities in this year due to the pandemic.

STRATEGIC REPORT

Achievements and Performance

The Ofsted rating for the Academy and the Primary is outstanding. The Academy and the Primary continue to deliver outstanding performance in the national league tables. In the absence of any national data this year, the school continues to perform consistently in line with the previous year.

In addition to the above both the Academy and the Primary School are very popular schools, and both were oversubscribed.

Key Financial Performance Indicators

The Academy Trust uses several financial key performance indicators to monitor financial success of the Academy Trust and progress/improvement against the targets set. Staffing costs are monitored as a percentage of total income (excluding fixed assets). For the year ended 31 August 2020 staffing costs amounted to 85% of total income (2019: 80%). Total income, including fixed asset income, per pupil decreased to £5,738 (2019: £6,653).

Going Concern

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

FINANCIAL REVIEW

The Academy Trusts' total incoming resources for the year ended 31 August 2020 amounted to £11,901,490 (2019: £11,209,962). The Trust received ESFA General Annual Grant (GAG) funding totalling £9,282,922 (2019: £8,685,655) and other DfE/ESFA funding of £995,807 (2019 - £638,230). The remaining income comprised capital grants of £178,824 (£295,744), other government grant funding totalling £356,978 (2019: £358,538), interest receivable £18 (2019: NIL), donations of £16,780 (2019: £24,991), other funding of £690,673 (2019: £849,045), Job Retention Scheme grant £62,527 (COVID), and income from trading activities of £316,961 (2019 - £357,759).

At 31 August 2020, the net book value of tangible fixed assets was £19,357,975 (2019: £19,817,107), and depreciation of £633,913 (2019: £627,305) has been charged in the financial statements. The main GAG and other grant related expenditure has been funded through in year income.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The Academy held fund balances at 31 August 2020 of £15,717,253 (2019: £16,515,121), of which £15,554,661 (2019: £16,358,540) are restricted in nature and £162,592 (2019: £156,581) unrestricted. Pension deficits of £4,040,000 (2019: £3,610,000) are included in restricted funds.

Both the Academy and Primary remained open throughout lockdown for vulnerable children and the children of key workers. The kitchen remained open during this time providing meals to staff and children.

Cost savings were made in cleaning, despite enhanced cleaning being required and we now have two-day janitors on site every day cleaning and sanitizing communal areas throughout the day such as toilets.

Other income including Breakfast and After School Clubs, Lettings and Catering were all lower than expected, and this trend is likely to continue in 2020/21. In order to mitigate the falls in revenue some staff have been temporarily redeployed to other areas. The majority of the catering staff in the Academy were furloughed under the Governments Job Retention Scheme, and all of the Breakfast and After School Club staff were furloughed in the primary school. Total funds received under the Job Retention Scheme was £63K

All educational day and residential trips were cancelled with immediate effect from 23 March 2020. Parents were refunded immediately, and successful insurance claims were made in all cases – the only loss being the £75 excess on each trip.

Before the lockdown the PTA at the Primary school raised over £8k.

Learning was delivered during lockdown through Firefly, and there were over 2 million hits during this time. The wellbeing of staff and pupils during this time has remained at the top of our priority list. We ensured every pupil was called at least once during lockdown to check on their welfare, and this remains the practice now when pupils are self-isolating. Managers remained in contact with all their staff and continue to do so when staff are self-isolating or ill.

The Trust is expected to receive a total of £121k Covid 19 catch up premium, and both schools have strategies for utilizing this income.

Reserves Policy

It is the Trustees' objective to maintain a structure of prudent financial management.

At 31 August 2020 the total funds comprised:

Unrestricted	£162,592
Restricted: Fixed asset funds	£19,411,070
Other:	£183,591
Pension reserve:	<u>£(4,040,000)</u>
Total:	£15,717,253

Reserves are intended to ensure that the Academy and the Primary are equipped with enough high-quality equipment to meet their aims and to ensure that a robust maintenance and renewal programme can be planned and carried out.

Excess funds are held for future capital and growth plans that we have identified. The Trustees will keep the level of reserves under review.

The deficit in the pension reserve is addressed in note 21 to the financial statements.

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 21. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

particular funds. Unrestricted funds are for use on the general purposes of the Multi Academy Trust, at the discretion of the Trustees. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

Investment Policy

Due to the nature of funding, the MAT may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks and Uncertainties

Outlined below is a description of the principal risk factors that may affect the MAT. Local risks are monitored by the local advisory bodies. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

1. Government funding

The Trust has considerable reliance on continued government funding through the ESFA. In 2019/20, 90% (2018/19: 88%) of the Trust's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Trust is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

2. Maintain adequate funding of pension liabilities.

The financial statements report the share of the pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS 102. The liability does not result in an immediate cash flow impact on the Multi Academy Trust. Plans to eliminate the pension deficit are incorporated into the plans of the MAT.

The Academy Trust practices through its Trust Board, and its committees. Any major risks highlighted at any subcommittee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Trust Board accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Trust Board collectively, whilst more minor risks are dealt with by senior executive officers.

Fundraising

Ashmole does not use any professional fundraisers. All fundraising activity is monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The schools in the Trust have a comprehensive three-year plan, a copy of which is available. The schools intend to implement their plans and actions as specified within that plan.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees hold no funds on behalf of others as custodian Trustees.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

AUDITOR

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors and signed on the Board's behalf by:



Mr Rudi Ramdarshan
Chair of Trustees

Date: 03/12/20

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year, because of the pandemic some of these meetings were through Zoom calls.

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

Trustee	Meetings attended	Out of a possible (please note during the pandemic some of these meetings were by Zoom)
Mr Derrick Brown, CEO and Accounting Officer	7	7
Mr Rudi Ramdarshan (re-appointed Chair 12/12/19)	7	7
Mr Jon Bradbury (resigned 13/10/2020)	4	7
Mr Anthony Ugorji	6	7
Dr Alan Davidson (passed away 8/10/2020)	7	7
Mr Emanuele Vadilonga (Vice Chair reappointed on a termly rolling basis 27/3/2020)	7	7
Mrs Gonul Daniels (resigned 3/12/2020)	6	7
Mrs Allison Walling (appointed 17/5/19)	7	7
Mrs Nicola Stapleton (appointed 17/5/19)	6	7

The Finance and General Purpose Committee is a sub-committee of the main Board of Trustees. There is also a Finance and General Purpose Committee of the two governing committees.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to review the Financial Statements and the Management Letter.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mr Derrick Brown (CEO and Accounting Officer)	1	1
Mr Jon Bradbury	1	1
Mr Emanuele Vadilonga (appointed Chair)	1	1

REVIEW OF VALUE FOR MONEY

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

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

- A continual focus on achieving best value for money through reviewing suppliers and costs, up to and including running tender processes where appropriate.
- The Trust continues to improve and develop its programme of community lettings. These not only provide additional income but allow structured use of the Trust facilities by community groups.
- The Trust runs a Schools Direct Teacher Training programme which allows us to train teachers, aiding recruitment in both the Academy and Primary and our partner schools.
- The Trust develops value for money in terms of its outstanding performance.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mr Robert Ashdown as internal auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- risk register
- management accounts
- budgets

On a termly basis, Robert Ashdown, the internal auditor, reports to the Board of Trustees, through the Trustee meetings on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

No material control issues were identified during the period.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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 internal auditor
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

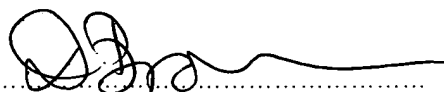
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Rudi Ramdarshan
Chair of Trustees

Date: 03/12/20



Derrick Brown
Accounting Officer

Date: 31/12/20


ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ashmole Academy Trust Ltd I have considered my responsibility to notify the academy board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Derrick Brown
Accounting Officer

Date: 3/12/20

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

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



Rudi Ramdarshan
Chair of Trustees

Date: 03/12/20

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASHMOLE ACADEMY TRUST LTD**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASHMOLE ACADEMY TRUST LTD (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy 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.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASHMOLE ACADEMY TRUST LTD (CONTINUED)**

Responsibilities of trustees

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

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

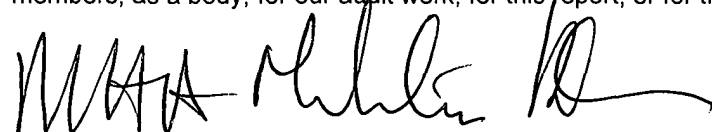
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Brendan Sharkey FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

6th Floor

2 London Wall Place

London

EC2Y 5AU

Date: 17th December 2020

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASHMOLE ACADEMY TRUST LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 03 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ashmole Academy Trust Ltd during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Ashmole Academy Trust Ltd's funding agreement with the Secretary of State for Education dated 27 September 2010 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASHMOLE ACADEMY TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer and
- consideration of governance issues.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASHMOLE ACADEMY TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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



Reporting Accountant
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
6th Floor
2 London Wall Place
London
EC2Y 5AU

Date: 17th December 2020.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	16,780	-	178,824	195,604	320,735
Charitable activities:	4					
Teaching school		-	78,671	-	78,671	120,706
Other charitable activities		660,838	10,649,398	-	11,310,236	10,410,762
Other trading activities	5	316,961	-	-	316,961	357,759
Investments	6	-	18	-	18	-
Total income		994,579	10,728,087	178,824	11,901,490	11,209,962
Expenditure on:						
Raising funds	7	13,039	-	-	13,039	13,716
Charitable activities	8	975,529	11,245,877	633,913	12,855,319	11,950,835
Total expenditure		988,568	11,245,877	633,913	12,868,358	11,964,551
Net income/(expenditure)		6,011	(517,790)	(455,089)	(966,868)	(754,589)
Transfers between funds	17	-	21,642	(21,642)	-	-
Net movement in funds before other recognised gains/(losses)		6,011	(496,148)	(476,731)	(966,868)	(754,589)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	169,000	-	169,000	(1,092,000)
Net movement in funds		6,011	(327,148)	(476,731)	(797,868)	(1,846,589)

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Reconciliation of funds:						
Total funds brought forward	17	156,581	(3,529,261)	19,887,801	16,515,121	18,361,710
Net movement in funds	17	6,011	(327,148)	(476,731)	(797,868)	(1,846,589)
Total funds carried forward		162,592	(3,856,409)	19,411,070	15,717,253	16,515,121

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

The notes on pages 26 to 51 form part of these financial statements.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07375627

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	19,357,975	19,817,107
		<u>19,357,975</u>	<u>19,817,107</u>
Current assets			
Debtors	15	522,905	506,663
Cash at bank and in hand	19	627,597	480,694
		<u>1,150,502</u>	<u>987,357</u>
Creditors: amounts falling due within one year	16	(751,224)	(679,343)
Net current assets		<u>399,278</u>	<u>308,014</u>
Total assets less current liabilities		<u>19,757,253</u>	<u>20,125,121</u>
Net assets excluding pension liability		<u>19,757,253</u>	<u>20,125,121</u>
Defined benefit pension scheme liability	23	(4,040,000)	(3,610,000)
Total net assets		<u><u>15,717,253</u></u>	<u><u>16,515,121</u></u>
Funds of the academy			
Restricted income funds:			
Restricted fixed asset funds	17	19,411,070	19,887,801
Restricted income funds	17	183,591	80,739
		<u>19,594,661</u>	<u>19,968,540</u>
Restricted funds excluding pension asset	17	19,594,661	19,968,540
Pension reserve	17	(4,040,000)	(3,610,000)
Total restricted funds	17	<u>15,554,661</u>	<u>16,358,540</u>
Unrestricted income funds	17	<u>162,592</u>	<u>156,581</u>
Total funds		<u><u>15,717,253</u></u>	<u><u>16,515,121</u></u>

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 21 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Rudi Ramdarshan
Chair of Trustees

Date: 03/12/20

The notes on pages 26 to 51 form part of these financial statements.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	142,842	(230,347)
Cash flows from investing activities	20	4,061	73,640
Change in cash and cash equivalents in the year		146,903	(156,707)
Cash and cash equivalents at the beginning of the year		480,694	637,401
Cash and cash equivalents at the end of the year	21, 22	627,597	480,694

The notes on pages 26 to 51 form part of these financial statements

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Ashmole Academy Trust Ltd meets the definition of a public benefit entity under FRS 102.

Ashmole Academy Trust Ltd is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

The financial statements are prepared in £ sterling, the functional currency, rounded to the nearest £1.

1.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Trust to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. The Trust therefore continues to adopt the going concern basis in preparing these financial statements.

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

1.6 Tangible fixed assets

Assets costing £4,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2.2% to 3.3% per annum on a straight line basis
Office equipment	- 20% per annum on a straight line basis
Plant and equipment	- 5-15 years on straight line basis
Computer equipment	- 20% per annum on a straight line basis
Assets under construction	- Not depreciated until brought into use
Freehold land	- Not depreciated

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.

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

1. Accounting policies (continued)

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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

1. Accounting policies (continued)

1.13 Pensions

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

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

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

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing teaching school funds from the DfE. Payments received from the DfE and subsequent disbursements to partner schools are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 3% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

1.15 Fund accounting

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

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised into the financial statements are those concerning depreciation policies and asset lives.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	16,780	-	16,780	24,991
Capital grants	-	178,824	178,824	295,744
Total 2020	16,780	178,824	195,604	320,735
Total 2019	24,991	295,744	320,735	

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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

4. Funding for Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General annual grant (GAG)	-	9,282,922	9,282,922	8,685,655
Pupil premium	-	220,220	220,220	244,380
Start up grants	-	55,500	55,500	69,000
Teaching school grants	-	78,671	78,671	120,706
Other ESFA/DfE grants	-	641,416	641,416	204,144
	-	10,278,729	10,278,729	9,323,885
Other government grants				
Special education grants	-	250,907	250,907	221,219
Local authority grants	-	106,071	106,071	137,319
	-	356,978	356,978	358,538
Other funding				
Trip income	-	92,362	92,362	130,179
Other income	87,019	-	87,019	106,911
Catering income	511,292	-	511,292	611,955
	598,311	92,362	690,673	849,045
Exceptional government funding				
Coronavirus Job Retention Scheme grant	62,527	-	62,527	-
Total 2020	660,838	10,728,069	11,388,907	10,531,468
Total 2019	718,866	9,812,602	10,531,468	

The Academy Trust has been eligible to claim additional funding in the 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 £62,527 of reclaimed costs. These costs are included in notes 7 and 8 below as appropriate. The Academy furloughed some of its staff under the government's CJRS. The funding received of £62,527 relates to costs in respect of staff, included within note 8 as appropriate.

There are no unfulfilled conditions or other contingencies attached to the government grants above.

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	170,451	170,451	190,481
Other income	68,212	68,212	65,105
Music income	65,461	65,461	65,966
Shop income	12,837	12,837	16,422
Revision courses	-	-	19,785
Total 2020	316,961	316,961	357,759
Total 2019	357,759	357,759	

6. Investment income

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receivable	18	18	-
Total 2019	-	-	

ASHMOLE ACADEMY TRUST LTD
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Fundraising expenses:					
Direct costs	-	-	13,039	13,039	13,716
Educational operations:					
Direct costs	7,287,031	633,913	590,349	8,511,293	7,877,840
Support costs	2,714,555	591,006	1,038,465	4,344,026	4,072,995
Total 2020	10,001,586	1,224,919	1,641,853	12,868,358	11,964,551
Total 2019	8,785,819	1,209,265	1,969,467	11,964,551	

The total expenditure of £12,868,358 (2019 - £11,964,551) comprised £988,568 (2019 - £1,090,006) from unrestricted funds, £633,913 (2019 - £627,305) from restricted fixed asset funds and £11,245,877 (2019 - £10,247,240) from restricted funds.

Of the above total costs, £72,600 (2019 - £131,647) relates to expenditure of the teaching school grants. Teaching school grant expenditure relates to salary costs of £52,550 (2019 - £92,991), training courses of £20,050 (2019 - £37,300) and administration fees of £Nil (2019 - £1,356).

8. Charitable expenditure

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	8,511,293	4,344,026	12,855,319	11,950,835
Total 2019	7,877,840	4,072,995	11,950,835	

Central services charges are disclosed in note 11.

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

8. Charitable expenditure (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	2,714,555	2,714,555	2,237,091
Maintenance of premises and equipment	591,006	591,006	582,390
Energy	142,301	142,301	174,811
Insurance	37,744	37,744	36,730
Catering	370,400	370,400	444,350
Cleaning	107,171	107,171	129,227
Other support costs	277,051	277,051	373,584
Security and transport	17,151	17,151	11,473
Governance costs	86,647	86,647	83,339
Total 2020	4,344,026	4,344,026	4,072,995
Total 2019	4,072,995	4,072,995	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	3,640	212,604
Depreciation of tangible fixed assets	633,913	627,305
Governance internal audit costs	2,350	1,800
Fees paid to auditors for:		
- audit	14,000	13,250
- other services	5,000	5,650

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	7,179,242	6,688,339
Social security costs	695,849	622,377
Pension costs	2,102,289	1,447,117
	<u>9,977,380</u>	<u>8,757,833</u>
Agency staff costs	24,206	27,986
	<u>10,001,586</u>	<u>8,785,819</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	100	94
Administration and support	116	108
Management	15	13
	<u>231</u>	<u>215</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	7	9
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	-
In the band £160,001 - £170,000	1	1

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

10. Staff (continued)

c. Higher paid staff (continued)

11 of the above employees participated in the Teachers' Pension Scheme (2019 - 11). During the year ended 31 August 2020, pension contributions for these staff amounted to £170,938 (2019 - £112,609).

1 of the above employees participated in the Local Government Pension Scheme (2019 - Nil). During the year ended 31 August 2020, pension contributions for these staff amounted to £6,432 (2019 - £Nil).

d. Key management personnel

The key management personnel of the academy 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 was £466,446 (2019 - £422,512). The CEO is both a Trustee and a member of the senior management team.

11. Central services

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

- Human resources
- Strategic support
- Finance
- Admissions support
- Marketing
- Governor training
- Educational support
- Premises support
- Lettings support
- Catering

Ashmole Academy recharges Ashmole Primary School for these services on the basis of time apportionment of the remuneration of the relevant staff providing the central services, as agreed by the Accounting Officer and the Chief Finance Officer of the Trust.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Ashmole Primary School	80,000	80,000

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

12. Trustees' remuneration and expenses

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

	2020	2019
	£	£
Mr Derrick Brown, CEO and Accounting Officer Remuneration	165,000 -	165,000 -
	170,000	170,000

During the year ended 31 August 2020, £Nil Trustee expenses have been incurred (2019 - £Nil).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government cover losses that arise. This scheme protects Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000 (2019 - £10,000,000). It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Freehold property £	Assets under construction £	Office equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2019	22,392,516	-	174,839	691,818	392,064	23,651,237
Additions	-	42,607	-	40,831	91,343	174,781
Disposals	-	-	(14,707)	(5,714)	(18,630)	(39,051)
At 31 August 2020	22,392,516	42,607	160,132	726,935	464,777	23,786,967
Depreciation						
At 1 September 2019	3,138,974	-	85,334	378,870	230,952	3,834,130
Charge for the year	481,163	-	25,629	73,564	53,557	633,913
On disposals	-	-	(14,707)	(5,714)	(18,630)	(39,051)
At 31 August 2020	3,620,137	-	96,256	446,720	265,879	4,428,992
Net book value						
At 31 August 2020	18,772,379	42,607	63,876	280,215	198,898	19,357,975
At 31 August 2019	19,253,542	-	89,505	312,948	161,112	19,817,107

Included in freehold property above is land with a net book value of £1,500,000 (2019 - £1,500,000) which is not depreciated. The freehold property was initially valued on 1 September 2010 by Maunders Taylor Chartered Surveyors at the open market value. In 2018 a new primary school was built on the Trust's existing premises.

Assets under construction of £42,607 are in respect of the demolition and reconstruction of the old existing block and extensions.

The Trustees consider that valuation of the original property and the new primary school remains appropriate at 31 August 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors: Amounts due within one year

	2020 £	2019 £
Trade debtors	10,352	40,193
VAT recoverable	63,780	69,165
Prepayments and accrued income	448,773	397,305
	<u>522,905</u>	<u>506,663</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	329,515	262,298
Taxation and social security	179,325	161,771
Other creditors	3,910	1,604
Accruals and deferred income	238,474	253,670
	<u>751,224</u>	<u>679,343</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	172,676	110,698
Resources deferred during the year	92,114	172,676
Amounts released from previous periods	(172,676)	(110,698)
	<u>92,114</u>	<u>172,676</u>

Deferred income at 31 August 2020 represents funds received in advance in respect of rates relief of £Nil (2019 - £48,634), free school meal income of £44,609 (2019 - £43,719), school ski trip of £Nil (2019 - £29,496) and other income of £47,505 (2019 - £50,827).

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General unrestricted funds	156,581	994,579	(988,568)	-	-	162,592
Restricted general funds						
GAG	15,560	9,282,922	(9,290,358)	-	-	8,124
Other DfE/ESFA grants	60,205	995,807	(921,908)	-	-	134,104
Other restricted income	4,974	449,358	(434,611)	21,642	-	41,363
Pension reserve	(3,610,000)	-	(599,000)	-	169,000	(4,040,000)
	<u>(3,529,261)</u>	<u>10,728,087</u>	<u>(11,245,877)</u>	<u>21,642</u>	<u>169,000</u>	<u>(3,856,409)</u>
Restricted fixed asset funds						
Fixed asset fund	19,817,106	178,824	(633,913)	(4,042)	-	19,357,975
Unspent capital funds	70,695	-	-	(17,600)	-	53,095
	<u>19,887,801</u>	<u>178,824</u>	<u>(633,913)</u>	<u>(21,642)</u>	<u>-</u>	<u>19,411,070</u>
Total Restricted funds	<u>16,358,540</u>	<u>10,906,911</u>	<u>(11,879,790)</u>	<u>-</u>	<u>169,000</u>	<u>15,554,661</u>
Total funds	<u>16,515,121</u>	<u>11,901,490</u>	<u>(12,868,358)</u>	<u>-</u>	<u>169,000</u>	<u>15,717,253</u>

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

Unrestricted funds are used to meet any charitable objectives of the Academy at the discretion of the Trustees.

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

17. Statement of funds (continued)

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State for Education, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes school trips, sports bursary for which income received is used to cover costs associated with these activities.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. The fund is in deficit, but given the nature of the liability, this is not payable immediately. There are plans in place to meet the deficit such that it is not a constraint on reserves going forward.

The restricted fixed asset fund includes all significant items of fixed assets. Depreciation charged on the assets as well as profit/loss on disposal of assets are allocated to the fund.

The transfer of £21,642 from fixed asset funds to restricted funds represents capital grants spent on relevant educational operations.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Ashmole Academy	150,067	145,681
Ashmole Primary School	196,116	91,639
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	346,183	237,320
Restricted fixed asset fund	19,411,070	19,887,801
Pension reserve	(4,040,000)	(3,610,000)
	<hr/>	<hr/>
Total	15,717,253	16,515,121

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

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching staff costs £	Other staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Ashmole Academy	6,762,961	2,155,720	99,709	1,870,705	10,889,095	10,261,670
Ashmole Primary School	524,070	558,835	33,571	228,874	1,345,350	1,075,576
Academy	7,287,031	2,714,555	133,280	2,099,579	12,234,445	11,337,246

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17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General unrestricted funds	144,971	1,101,616	(1,090,006)	-	-	156,581
Restricted general funds						
GAG	3,340	8,685,655	(8,673,435)	-	-	15,560
Other DfE/ESFA grants	738	641,730	(582,263)	-	-	60,205
Other restricted income	115,217	485,217	(638,542)	43,082	-	4,974
Pension reserve	(2,165,000)	-	(353,000)	-	(1,092,000)	(3,610,000)
	<u>(2,045,705)</u>	<u>9,812,602</u>	<u>(10,247,240)</u>	<u>43,082</u>	<u>(1,092,000)</u>	<u>(3,529,261)</u>
Restricted fixed asset funds						
Fixed asset fund	20,222,308	265,185	(627,305)	(43,082)	-	19,817,106
Unspent capital funds	40,136	30,559	-	-	-	70,695
	<u>20,262,444</u>	<u>295,744</u>	<u>(627,305)</u>	<u>(43,082)</u>	<u>-</u>	<u>19,887,801</u>
Total Restricted funds	<u>18,216,739</u>	<u>10,108,346</u>	<u>(10,874,545)</u>	<u>-</u>	<u>(1,092,000)</u>	<u>16,358,540</u>
Total funds	<u>18,361,710</u>	<u>11,209,962</u>	<u>(11,964,551)</u>	<u>-</u>	<u>(1,092,000)</u>	<u>16,515,121</u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	19,357,975	19,357,975
Current assets	162,592	934,815	53,095	1,150,502
Creditors due within one year	-	(751,224)	-	(751,224)
Pension scheme liability	-	(4,040,000)	-	(4,040,000)
Total	162,592	(3,856,409)	19,411,070	15,717,253

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	19,817,107	19,817,107
Current assets	156,581	760,082	70,694	987,357
Creditors due within one year	-	(679,343)	-	(679,343)
Pension scheme liability	-	(3,610,000)	-	(3,610,000)
Total	156,581	(3,529,261)	19,887,801	16,515,121

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19. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(966,868)	(754,589)
Adjustments for:		
Depreciation charges	633,913	627,305
Investment income	(18)	-
(Increase)/decrease in debtors	(16,242)	(127,598)
Increase/(decrease) in creditors	71,881	(32,721)
Pension adjustment	599,000	353,000
Capital grants	(178,824)	(295,744)
Net cash provided by/(used in) operating activities	142,842	(230,347)

20. Cash flows from investing activities

	2020 £	2019 £
Investment income	18	-
Purchase of tangible fixed assets	(174,781)	(222,106)
Capital grants from DfE Group	178,824	295,744
Disposal of investments	-	2
Net cash provided by investing activities	4,061	73,640

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	627,597	480,694
Total cash and cash equivalents	627,597	480,694

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

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	480,694	146,903	627,597
	<u>480,694</u>	<u>146,903</u>	<u>627,597</u>

23. Pension commitments

The academy'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 Barnet. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,019,000 (2019 - £674,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £613,000 (2019 - £531,000), of which employer's contributions totalled £485,000 (2019 - £420,000) and employees' contributions totalled £ 128,000 (2019 - £111,000). The agreed contribution rates for future years are 23.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.90%	2.60%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.80%
Commutation of pensions to lump sums (post April 2008)	75.00%	50.00%

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.0
Females	24.0	23.3
<i>Retiring in 20 years</i>		
Males	22.9	22.3
Females	25.7	25.1

Sensitivity analysis

	2020	2019
	£000	£000
Salary Increase Rate +0.5%	59	101
Discount rate -0.5%	1,112	1,083
Pension Increase Rate +0.5%	1,038	964

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

	2020	2019
	£	£
Equities	3,042,000	2,748,000
Gilts	1,630,000	1,571,000
Property	272,000	147,000
Cash and other liquid assets	489,000	442,000
Total market value of assets	5,433,000	4,908,000

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23. Pension commitments (continued)

The actual return on scheme assets from 1 October 2019 to 30 June 2020 was -0.1% (2019 - 3.20%).

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

	2020 £	2019 £
Interest income	93,000	123,000
Interest cost	(163,000)	(187,000)
Current and past service cost	(1,014,000)	(709,000)
Total amount recognised in the Statement of Financial Activities	(1,084,000)	(773,000)

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

	2020 £	2019 £
At 1 September	8,518,000	6,334,000
Current and past service cost	1,014,000	709,000
Interest cost	163,000	187,000
Employee contributions	128,000	111,000
Actuarial (gains)/losses	(202,000)	1,250,000
Benefits paid	(148,000)	(73,000)
At 31 August	9,473,000	8,518,000

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

	2020 £	2019 £
At 1 September	4,908,000	4,169,000
Interest income	93,000	123,000
Actuarial (losses)/gains	(33,000)	158,000
Employer contributions	485,000	420,000
Employee contributions	128,000	111,000
Benefits paid	(148,000)	(73,000)
At 31 August	5,433,000	4,908,000

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24. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	1,673	3,640
Later than 1 year and not later than 5 years	-	1,673
	<u>1,673</u>	<u>5,313</u>

25. 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.

26. Related party transactions

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

No other related party transactions took place in the year other than those disclosed in note 12.

27. Agency arrangements

The Academy Trust distributes teaching school funds as an agent for the DfE. In the accounting period ending 31 August 2020 the Academy Trust received £79,600 to be disbursed to other schools (2019 - £29,444) and disbursed £29,788 (2019 - £29,444) from the fund. The amount not disbursed of £34,200 (2019 - £Nil) was for trainees from other schools that withdrew from the scheme.