

The GORSE Academies Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2020



Company Registration Number:
07465701 (England and Wales)

The GORSE Academies Trust

Contents

Item	Page
Reference and Administrative Details	1 - 2
Directors' Report	3 - 12
Governance Statement	13 - 16
Statement on Regularity, Propriety and Compliance	17
Statement of Directors' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 - 21
Independent Reporting Accountant's Assurance Report on Regularity	22 - 23
Statement of Financial Activities including Income & Expenditure Account	24
Statement of Financial Activities including Income & Expenditure Account 2018-2019	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	28 - 32
Other Notes to the Financial Statements	33 - 47

The GORSE Academies Trust
REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Morgan
T Elliott
N Donkin
J Kay
D Bradshaw

Directors and Trustees

P Gruen (Chair)
T Elliott
T Latham (resigned 31/08/2020)
R West
S Slee
A McAvan
C Gorse (resigned 31/08/2020)
J Boucher
S Hall
R Stephenson (commenced 01/09/2020)
R Jarvis (commenced 01/09/2020)
T Thomas-Marshall (commenced 01/09/2020)
L Banahene (commenced 01/09/2020)
P Forbes (commenced 01/09/2020)
Sir John Townsley (Chief Executive Officer)

Company Secretary

J Shore

Senior Leadership Team

Sir John Townsley (Chief Executive Officer)
L Griffiths
D Holtham
S McCarthy
F McNally
A M Garnett
N Cornfoot
S Mir
D Seekings
C Stokes
A Ryder
R Taylor
C Walsh
H Townsley
M Fitzpatrick
S Done
A McKenzie
B Mallinson
S McKenzie
J Shore

Principal and Registered Office

Bruntcliffe Lane
Morley
Leeds
West Yorkshire
LS27 0LZ

The GORSE Academies Trust
REFERENCE AND ADMINISTRATIVE DETAILS

Company Registration Number

07465701 (England and Wales)

Independent Auditor

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Bankers

Lloyds Bank
44 Queens St
Morley
Leeds
LS27 9BZ

Solicitors

Leeds City Council
Civic Hall
Leeds
LS1 1UR
(Service Level Agreement for general enquiries)

Forbes Solicitors
Church House
90 Deansgate
Manchester
M3 2GP

Carter Ruck
The Bureau
90 Fetter Ln
Holborn
London
EC4A 1EN

The GORSE Academies Trust DIRECTORS REPORT

The trustees of The GORSE Academies Trust (who are also the directors for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements and auditor's report of The GORSE Academies Trust for the year to 31 August 2020. This report also represents the trustees' report which is prepared in accordance with the Companies Act 2006.

Structure, Governance and Management

Constitution

The GORSE Academies Trust ("Trust") is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association dated 12 February 2015 are the primary governing documents of the Academy Trust.

The GORSE Academies Trust is currently responsible for The Morley Academy (TMA), The Farnley Academy (TFA), The Ruth Gorse Academy (TRGA), Bruntcliffe Academy (BA), Boston Spa Academy (BSA), The Stephen Longfellow Academy (TSLA), Morley Newlands Academy (MNA), Hillcrest Academy (HA), Ryecroft Academy (RA), Richmond Hill Academy (RHA) and Elliott Hudson College (EHC) and the School Centred Initial Teacher Training Centre (SCITT)

The directors act as trustees for the charitable activities of The GORSE Academies Trust for the purposes of company law. The Charitable Company is known as The GORSE Academies Trust.

Details of the directors 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.

Directors' and Governors' indemnity provisions are described in Note 11 to the financial statements.

Directors

The articles of association require the appointment of at least three directors. The directors of the company are also trustees of the charity. Ten directors have been appointed to the Company's board of directors. The term of office for a director is currently four years and any director may be re-appointed.

The Members may appoint by ordinary resolution up to 15 Trustees. The total number of Trustees including the Chief Executive Officer, who are employees of the Academy Trust, shall not exceed one third of the total number of Trustees.

Where necessary, directors have received training on legal and financial matters to enable them to undertake their role as directors.

The directors are responsible for setting the strategic direction of The GORSE Academies Trust, reviewing and agreeing the Company's policies and procedures and making major decisions about the arrangements entered into by The GORSE Academies Trust.

The directors have delegated a number of their functions to the local governing bodies of the academies.

Each Academy has its own Board of Governors (the Local Governing Body). Each Academy Board of Governors has responsibility for setting policy, annual plans and budgets. The day to day operational running of the Academies is delegated by the Local Governing Body to the local Senior Leadership Team (SLT).

The GORSE Academies Trust DIRECTORS REPORT

Method of recruitment and appointment or election of the local governing body

The Local Governing Body is comprised of Community Governors, Staff Governors and Parent Governors. Governors are appointed to serve a four-year term as agreed by the Local Governing Body. The Community Governors are appointed at a meeting of the Local Governing Body on the basis of nominations received. Parent Governors are elected by parents of the children attending the Academy. Staff Governors are elected by staff of the Academy. The Board of the GORSE Academies Trust reserves the right to appoint governors to Local Governing Bodies and the appointment is by the way of board resolution.

Policies and procedures for the induction and training of Directors and Governors

New Governors are inducted into the workings of the Trust, including policies and procedures, at arranged meetings with the Principal and representatives from finance. The training and induction provided for new directors depends on their existing experience. Where necessary, induction provides training on charity and educational, legal and financial matters (with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors). Governors are invited to attend various training sessions covering all matters of governance organised by Leeds City Council. The Local Governing Body have designated Governors for key areas of responsibility, such as Special Educational Needs, Safeguarding, and policy review.

All Governors give their time freely and no remuneration was paid in the year.

Organisational structure

The Board meets as a full body a minimum of six times throughout the year to discuss:

- Strategic matters of the Trust; and
- Significant operational developments.

The Local Governing Bodies meet four times per year to manage and oversee the matters delegated to them. This includes finance, curriculum, safeguarding and all other key elements of the operation of the Academy.

Arrangements for setting pay and remuneration of key leadership personnel.

The Remuneration Committee is responsible for determining the policy for the remuneration of key leadership personnel. This committee consists of three board members, all of whom are independent non-executive directors. In determining such policy, the committee will take into account all factors which it deems necessary, including relevant regulatory requirements. The objective of such policy is to ensure that members of the executive leadership of the Trust are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Trust.

Trade Union facilities time

Number of employees who were staff union representatives during for the period 2019-2020	Full-time equivalent employee number
0	0

Percentage of time spent on facilities time

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

No fixed facilities time is given. Reasonable time is allowed as required and agreed by the Principal.

The GORSE Academies Trust DIRECTORS REPORT

Percentage of Pay bill spent on Facilities Time

Total Cost of Facilities Time	0
Total Pay Bill	£43,006,041
% of total Pay bill spent on facilities time	0

Paid Trade Union Activities

Time Spent on paid Trade Union as a % of total paid facilities time.	TGAT does not have a Trade union facilities agreement.
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Engagement with employees

During the COVID-19 pandemic the Trust has consulted with its employees on a number of occasions. This includes, prior to re-opening after lockdown, requesting that a questionnaire be completed to determine the number of staff able to go back to work for strategic planning purposes. A similar exercise was undertaken prior to a full re-opening in September to determine which employees were in high risk categories. This ensured that COVID-19 specific Wellbeing Action Support Plans could be put in place as necessary. In addition, colleagues were provided with a number of links to wellbeing websites that offered support in coping with all aspects of lockdown.

The KPIs, as detailed below, report levels of sickness absence for teachers and support staff and will allow year on year comparisons along with staff turnover figures.

Employment applications from disabled persons are dealt with the same way as those without disability. There is no means of identifying a disabled individual from the application form. All potential employees are required to complete a medical form to determine any potential adjustments they may require to their working environment.

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

A catering company is contracted to the trust to provide school meals for all pupils. A three-year review of their performance was undertaken by a catering consultant and the findings presented to the Board. The company is engaging with the Trust in support of the GORSE Gets Healthy initiative and their drive to reduce single use plastics.

During the COVID-19 pandemic the trust has worked with the catering company to ensure the provision of 'grab bags' for students attending the academies during lockdown. Food parcels for families of free school meals pupils that are required to self-isolate or attend on a rota basis have also been provided.

An agreement was reached with the catering company under the Governments PPN02/20 guidelines to operate an open book approach to billing which involved payment for supplies, fixed costs and any non-furloughed labour costs.

Contractors regularly engaged by the Trust have attended a Health and Safety training session on the requirements of the Trust on the completion and usage of Risk Assessment Method Statements for large capital works.

Informal agreements were made with a number of self-employed contractors during the COVID-19 lockdown period to preserve the service for the long term.

There is always significant engagement by the Trust with parents but due to the exceptional circumstances this year there has been an increased level of communication pertinent to the COVID-19 situation, these include; plans and guidance on the re-opening of academies, information regarding on-line learning, use of face coverings and protocols for Yr7 Transition days and GCSE and 'A' level results days. The CEO has also contacted parents to seek their views on the education of key groups of pupils not covered by the national reintegration scheme and the possibility of offering education over the summer break.

The GORSE Academies Trust DIRECTORS REPORT

Objectives and Activities

The principal object of The GORSE Academies Trust is to advance for the public benefit education in the United Kingdom, in particular establishing, maintaining, managing and developing schools/academies offering a broad and balanced curriculum.

Public benefit

When setting the objectives of the academies for the year, The GORSE Academies Trust's Directors have given careful consideration to the Charity Commission's guidance on public benefit.

Strategic Report

The COVID-19 pandemic has resulted in a very challenging year for the education sector with school closures and no external examinations. In March the Government instructed all schools to close with the exception of provision for the children of key workers and those with an EHCP or under the care of a social worker. The Trust established a hub structure with three hubs based in secondary academies and serving all the academies within the Trust.

These hubs were staffed on a rota basis with staffing levels kept at a minimum in line with Health and Safety guidance from the World Health Organisation and the Government. Extensive measures were introduced around social distancing and hygiene. All staff and students were provided with a packed lunch.

Work booklets were provided to all TGAT students in the first instance along with electronic lesson formats including Zoom and Google Classroom. Free School Meal students not attending a hub were provided with weekly supermarket vouchers.

After Easter the Trust opened the Rainbow Base at Richmond Hill Academy, this provision serves mid to high-need autistic students and was able to provide families with one day per week respite care.

Extensive work was also carried out at this time to support staff welfare and wellbeing including the launch of GORSE Connects which provided a range of activities to enable staff to remain connected and signposted to other mental health and wellbeing resources both within and beyond the Trust.

At the beginning of June, the Government announced that primary schools should open for nursery, reception, Yr. 1 and Yr. 6 students. With face-to-face support to be provided for Yr.10 and Yr.12 students. The Trust provided significantly more than the basic requirement for the Yr.10 and Yr.12 students with all students provided with a minimum of one full day of education each week which impacted positively on their learning, their mental health and well-being. This was in addition to the on line learning resource provided for all year groups.

A similar but modified approach was adopted within The Stephen Longfellow Academy (Alternative Provision).

In order to ensure the safety of students where possible the Trust has put in place a range of approaches and actions seen as a hierarchy of controls that, when implemented, create an inherently safer environment, where the risk of transmission of infection is substantially reduced. This included:

- minimising contact with individuals who are unwell by ensuring that students or members of staff who have coronavirus symptoms, or who have someone in their household who does, do not attend school;
- cleaning hands more often than usual - students and staff will be encouraged to regularly wash their hands thoroughly for 20 seconds with running water and soap and dry them thoroughly, or use alcohol hand rub or sanitiser ensuring that all parts of the hands are covered;
- ensuring good respiratory hygiene by promoting the 'catch it, bin it, kill it' approach;
- cleaning frequently touched surfaces often, using standard products such as detergents and bleach;

The GORSE Academies Trust DIRECTORS REPORT

- minimising contact and mixing, as far as possible, by keeping students in small groups for face-to-face support and keeping those groups as consistent as possible whilst in school (e.g. for arrival, lunchtime, breaks and departure) and altering the school environment (e.g. changing classroom layouts so desks are further apart or dividing groups into different classrooms).

Extensive Risk Assessments for each academy were made available on the academy websites.

Achievements and Performance

As there are no published results on performance data for the 2019-20 academic year the relative success of the Trust compared to nationally or previous years student performance cannot be made.

However, the Trust had OFSTED inspections at three academies in the autumn term. The first of these was at the Ryecroft Academy where an overall judgement of 'Good' was secured with 'Outstanding' for Personal Development and Leadership and Management. This follows a previous 'Requires Improvement' judgement in May 2017.

In October, The Stephen Longfellow Academy had its first inspection following opening and achieved a 'Good' rating in all areas and overall. The Farnley Academy was rated 'Requires Improvement' overall with 'Good' for Quality of Education and 'Outstanding' for Personal Development.

The GORSE School Centred Initial Teacher Training Centre continues to grow with over 200 trainees being recruited this year.

The Trust monitors its financial performance throughout the year and appropriate action is taken to ensure that:

- Actual expenditure incurred does not exceed planned expenditure in any single financial year
- The Trust has sufficient cash on hand to meet all obligations as they fall due
- Financial forecasts are prepared to ensure that the Trust remains financially viable

For the year to 31 August 2020, all of these objectives have been met.

Financial Key Performance Indicators

An unqualified external audit			Met
Maximisation of External Income	Budget (£)	Actual (£)	
Maximisation of SCITT Income	2,914,300	2,728,267	Not Met
Maximisation of Other External Income	576,000	899,294	Met
Retained Balances	80,000	80,000	Met
Spend per pupil for non-pay expenditure			
- Secondary	923.59	931.97	Not Met
- Primary	1184.87	1065.31	Met
Payment of creditors in less than 30 days			Met
Leavers Total	144		
- % within Trust	17		
- %TUPE	0.05		
Sickness Absence			
Days Lost			
- Teachers	3698		
- Support Staff	6873		
- Mental Health	2094		
Average Days Per Person			
- Teachers	3.52		
- Support Staff	7.23		

The GORSE Academies Trust DIRECTORS REPORT

Target for SCITT income was down due to an overestimation of Subject Knowledge Enhancement course length. The spend per pupil for non-pay expenditure in the 11-16 sector was higher due to increased repairs, health and safety issues and leasing payments.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that The GORSE Academies 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 Principal Accounting Policies.

Promoting the success of the Trust.

The following are examples of ways in which the success of the Trust is promoted;

Forensic Reading

The concept of developing reading clubs is not new and it is certainly true that there are thousands of people who are involved in a range of reading circles which bring a social and interactive element to the business of reading.

The view of the Trust is that for many families in the Leeds City region such activity is not a part of their experience and it is felt that this is a loss. The Trust believes that the promotion of reading, a love of finding out new ideas and experiencing new worlds is central to the development of informed adults who establish a passion for lifelong learning. The Trust also wants its students to enjoy reading within a group dynamic which begins to challenge their understanding of how great writers write. The aim is for them to become more critical, more informed, and more confident and to be in a position in the future where they can participate in debate and discussion in an incisive and articulate manner.

Forensic Reading has now been launched across the Trust and is a source of rich enjoyment for our professionals and our students. We are also very excited to be sharing this model with many schools across the Leeds City region.

GORSE Gets Healthy

The Trust recognises the importance of health and its power to influence a person's life expectancy, happiness and academic attainment. Consequently, a commitment has been made to improve the health of our students by founding the GORSE Gets Healthy initiative equipping colleagues and students with the education and opportunities they need to achieve healthier, more active lifestyles that will vastly improve lives for years to come.

Initiatives have included the GORSE Games and using social media accounts to promote exercise sessions and recipes for healthy eating.

GORSE School Centred Initial Teacher Training

The GORSE SCITT is an OFSTED Outstanding teacher training provider working in Leeds, Bradford, Hull and East Yorkshire. Rated 'Outstanding' in all aspects of their work it was recognised by OFSTED that they are highly effective in meeting local teacher supply need for subjects, new schools and schools in challenging circumstances and requiring improvement.

The GORSE Academies Trust DIRECTORS REPORT

Financial Review

The GORSE Academies Trust has had a successful financial period. Net (expenditure)/incoming resources were (£2,356k). (2019: £10,399k)**. Net current assets at 31 August 2020 were £6,006k (2019: £4,565k).

*In 2019-2020 net (expenditure)/ incoming resources were (£2,356) included in this is (£4,273) depreciation costs.

** In 2018-2019 net (expenditure)/ incoming resources were £10,399 included in this was the transfer of Boston Spa Academy £11,778 which would give net incoming resources of (£1,379) included in this was (£3,916) depreciation costs

The tangible fixed assets additions were £3,294k in the year, which includes

- Boston Spa Academy: £625k refurbishment of dining and toilet facilities;
- Boston Spa Academy: £133k internal adaptations for Elliott Hudson at The Boston Spa Academy;
- Bruntcliffe Academy: £439k refurbishment of the roofs;
- Ryecroft Academy: £619k refurbishment of buildings;
- Hillcrest Academy: £155k refurbishment of lower ground floor classrooms;
- Richmond Hill Academy: £116k outdoor play area;

As at 31 August 2020 The GORSE Academies Trust had cash reserves of £7,731k (2019: £9,623k).

The GORSE Academies Trust's income is derived in the main from the Department for Education (DfE) and the Local Education Authority (LEA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the DfE and the LEA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also received grants for the acquisition of fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Related Parties and Other Connected Charities and Organisations

No member of the Trust or related party provided services during this academic year.

Objectives and aims of The GORSE Academies Trust

The Trusts objectives are ambitious and are for young people to be successful learners who enjoy learning, make progress and achieve; are confident individuals who have a sense of self-worth and personal identity; and are responsible citizens who make a positive contribution to society.

The strategic aim is to provide a broadly-based education that improves young peoples' life chances by delivering:

- academic excellence;
- a broad based curriculum;
- a curriculum enriched through sport, music, drama and a wide range of other extra-curricular activities and trips; and
- active engagement with parents and carers.

The GORSE Academies Trust ensures its Academies use combined resources and collective expertise in order to assist each other and so raise standards faster than would be the case if working in isolation.

The GORSE Academies Trust DIRECTORS REPORT

Reserves policy

The GORSE Academies Trust has 3 categories of reserves: Restricted Funds, which is funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted Reserves which is used under the direction of the board of directors and which has been delegated to the Local Governing Bodies.

The unrestricted reserves of £4,176k (2019: £3,005k) are freely available for general purposes. These will be allocated in line with the strategic objectives of The GORSE Academies Trust.

The restricted funds and fixed asset reserve of £93,445k (2019: £103,197k) include the restricted funds of £195k (3G Pitch). The restricted pension fund is in deficit to the value of £24,275k (2019: £14,985k) as at 31 August 2020. The Directors will continue to monitor this situation closely.

Free reserves stand at £4,176k. The Directors and Trustees have decided to build up a central Trust reserve of up to 2% of ESFA annual funding over a period. At current funding levels the target for this reserve would be approximately £1m. The level for 2019-20 is £649k.

The remaining free reserves are held by academies and available to be utilised as required.

Investment policy

Currently The GORSE Academies Trust has no significant funds for investment purposes. Short term high interest deposit accounts are used to maximise the return on current balances.

Principal Risks and Uncertainties

The Directors delegate responsibility for identifying risks faced by each Academy of The GORSE Academies Trust. The Local Governing Body is responsible for the management of the risks faced by the Academy and ensuring that employees are aware of these procedures and of the implications of failing to implement them. The Directors are satisfied that the system of delegated responsibility and the associated procedures are consistent with guidelines issued by the Charity Commission. Detailed consideration of the risks are reviewed by the Board and controls are established on an ongoing basis.

The main risks to Academies as identified in the risk register are:

- Changes in government legislation, particularly with regard to funding;
- Inadequate budgetary control;
- Failure of ICT including back up procedures and cyber security;
- GDPR breach;
- Lack of data management and scrutiny leading to underperforming academies.
- COVID 19

Through the risk management processes established for The GORSE Academies Trust, the board of directors is satisfied that the major risks have been adequately managed where necessary. It is recognised that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The key controls used by The GORSE Academies Trust are:

- Formal agendas for the board of directors and each Local Governing Body activity;
- Detailed and comprehensive terms of reference and standing orders for the Local Governing Body;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies, compliant with relevant laws and regulations;
- Clear authorisation and approval levels;

The GORSE Academies Trust DIRECTORS REPORT

- Vetting and clearance procedures as required by law for the protection of children and young people. and
- ICT disaster recovery policy.

Employee involvement

Each academy encourages the involvement of its employees in its leadership and management through weekly meetings of the SLT, half termly meetings of middle leaders and half termly meetings of department teams. This ensures a sharing of vision and policy and discussion of key issues including the receiving of views of the staff.

Disabled persons

Each academy will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. Through the support and guidance of Occupational Health employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the academy.

During employment the academy seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the Trust during the year was 4

Fundraising

The Trust has engaged in minimal activities to raise funds from the public during the year. The types of fundraising carried out by the Trust are parental contributions to school trips, concerts and summer fairs. Given the basic nature of fundraising activity, the Trust has not subscribed to any fundraising standards or schemes. The Trust does not engage any third parties to fundraise on its behalf. By its nature, the Trust's fundraising activity does not place pressure on vulnerable people or any other member of the public. No complaints have been received by the Trust in respect of its fundraising activities.

Streamlined Energy and Carbon Reporting

Energy consumption used to calculate emissions (kWh)		5,204,345.23
Energy consumption break down (kWh) for electricity, gas and transport fuel.		
Scope	Energy Source	Emissions Tonnes (CO²e)
1	Gas	267.18
	Oil	-
	Academy Vehicles	16.63
2	Electricity Standard	843.02
	Electricity Renewables / Nuclear	-
3	Staff mileage in year on academy business	16.89

The GORSE Academies Trust
DIRECTORS REPORT

Total Emissions	1,143.71								
Intensity ratio	0.12								
Quantification and reporting methodology	We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.								
Three key measures taken to improve energy efficiency	<table border="1"> <thead> <tr> <th colspan="2">Action</th></tr> </thead> <tbody> <tr> <td>1</td><td>The Board intends to commission an energy audit in our academies and understand the actions we need to take to reduce our carbon footprint</td></tr> <tr> <td>2</td><td>LED lighting is installed wherever refurbishment work is undertaken.</td></tr> <tr> <td>3</td><td>The Salix Decarbonisation Fund will be investigated as an option for boiler replacement.</td></tr> </tbody> </table>	Action		1	The Board intends to commission an energy audit in our academies and understand the actions we need to take to reduce our carbon footprint	2	LED lighting is installed wherever refurbishment work is undertaken.	3	The Salix Decarbonisation Fund will be investigated as an option for boiler replacement.
Action									
1	The Board intends to commission an energy audit in our academies and understand the actions we need to take to reduce our carbon footprint								
2	LED lighting is installed wherever refurbishment work is undertaken.								
3	The Salix Decarbonisation Fund will be investigated as an option for boiler replacement.								
Intensity measurement	The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.								

Plans for the Future

The GORSE Academies Trust plans to further develop the School Centred Initial Teacher Training Centre (SCITT). This includes an extension of this work with Bradford and the East Coast. The GORSE Academies Trust aims to provide support to other institutions whose circumstances may be challenging and for whom we may assume a sponsorship/supporting role.

The Trust will continue to work with the Regional Schools Commissioner to support under performing schools in the Leeds area.

Auditor

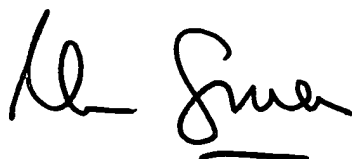
Mazars LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to the auditor

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Board of Directors at its meeting on 8 December 2020 and signed on its behalf by:

P Gruen
Chair



8/12/20

The GORSE Academies Trust

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of directors has delegated the day-to-day responsibility to the Chief Executive Officer as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The GORSE Academies Trust and the Secretary of State for Education. The accounting officer and the Local Governing Body are responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors responsibilities. The Board has formally met 11 times during the year. Attendance during the year at meetings of the board was as follows:

Director	Meetings attended	Out of a possible
T Elliott	5	11
J Townsley	11	11
T Latham	6	11
P Gruen	11	11
A McAvan	10	11
J Boucher	9	11
S Slee	9	11
C Gorse	6	11
R West	6	11
S Hall	11	11

Governance Review

During 2019/20, the Trust Board has reviewed its governance arrangements and made some changes to both the Trust Board and the Local Governing Bodies (LGBs).

In February 2020, the Trust Board agreed to restructure the Local Governing Body (LGB) model for the Trust. The role of the LGB continues to be a critical part of our effective governance structures. However, as the Trust has grown the existing model had become unwieldy and not fit for purpose. The new model agreed, effectively pairing schools under one LGB, commenced from September 2020. The makeup of the LGB would be flexible in a first, transitional year, until the new model has been properly tested in practice but would continue to include TGAT appointed governors; Community governors; Staff governors (one from each academy); Parent Governors (one from each academy); plus the CEO or Executive Principal for the phase.

It was decided the SCITT would remain outside of this process and membership remains the same as it is currently.

The new LGBs were made up from current governors within the Trust.

The Trust Board also determined to make some changes to the Trust Board arrangements. As the Trust has grown, it was viewed that additional capacity was required on the Board. 2 Trustees left the Board in September 2020, when their term of office finished, and an additional 6 Trustees were appointed to the Board, making 14 Trustees in total. The diversity of the Board was further enhanced with these appointments, with strong representation from female trustees and trustees from the BAME community. The appointments bring links to national and local government, regional education, corporate business, higher education, and financial and legal expertise.

The GORSE Academies Trust GOVERNANCE STATEMENT

The Board also determined to firm up their own sub-committee arrangements, with the strengthening of an Audit, Finance and Risk Committee; a Remunerations Committee; and a CEO/Exec Principals Performance Management Committee. All sub-committees report directly to the Board.

The changes implemented have strengthened the governance of the Trust at Board and at local level, as the Trust moves into the next phase of its development.

Audit Committee

The audit committee consisted of the board members with the exception of Sir John Townsley, they have met once within the year.

Review of Value for Money

As the accounting officer the Chief Executive Officer 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 tax payers 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Improving Educational Outcomes

The Trust has employed a range of Advanced Skills Teachers to improve the performance of teachers and improve educational outcomes of students. These are deployed across all academies focusing on key areas of concern. Deploying staff across all academies within the Trust ensures best value.

Teaching Assistants work with small groups of students to raise outcomes, including HLTAs working for example, on literacy. There are learning mentors for vulnerable students in all key stages and Home – School mentors.

The Trust operates a centralised system for support services. Finance, ICT, HR, Admissions, Operations Management, Governance, School Improvement and Assessment are all controlled centrally. This represents far better value for money than each organisation entering service level agreements individually.

Budgetary Control

The Trust has tight budgetary control with regular budget meetings being held with the Principals of the academies and the Chief Executive Officer and Executive Principals. Middle Leaders are required to submit fully costed departmental plans which include Pupil Premium expenditure before money is allocated. Budget overspends are not permitted.

Purchasing

Wherever possible all contracts are entered into on a Trust basis to take advantage of economies of scale. In this academic year, the Trust has made significant savings on Trust wide contracts for printing, telephony, and web filtering. Several contracts will be reviewed in the new academic year including cleaning.

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

The GORSE Academies Trust GOVERNANCE STATEMENT

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 The GORSE Academies Trust for the financial year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Local Governing Bodies have reviewed the key risks to which their Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The directors oversee this risk management framework. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing The GORSE Academies Trust's significant risks and that the process has been in place for the year ending 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 directors.

The Risk and Control Framework

The GORSE Academies 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 Local Governing Body in respect of each Academy;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- Identification and management of risks.

The board of directors regularly reviews The GORSE Academies Trust's consolidated budgets, forecasts and financial policies and procedures. The Board of Directors has considered the need for a specific internal audit function and has decided to appoint BDO LLP accountants as internal auditors to perform the Internal Scrutiny function. The Board agrees an annual schedule of work focusing on specific areas that are considered to be high risk taken from the Risk Register. The audit committee is provided with a termly report on their findings. The schedule of work has been completed for 2019-20 and no significant issues have been reported.

Review of Effectiveness

The GORSE Academies Trust has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior leaders within the Trust who have responsibility for the development and maintenance of the governance environment and also by comments made by the external auditors and other review agencies and inspectorates.

The Trust insists on regular budget reports being provided to the Local Governing Body (LGB). There is a strict scheme of delegation in place that ensures larger contracts or purchases are reviewed at LGB or Board level.

The Trust has been advised on the implications of the review of the effectiveness of the governance framework by the executive overview and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

As accounting officer, Sir John Townsley, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by the Internal Scrutiny process by:

- the work of the internal scrutiny auditor;
- the work of the external auditor;

The GORSE Academies Trust
GOVERNANCE STATEMENT

- 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 board of directors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the board of directors on and signed on its behalf by:


Peter Green
Chair


Sir John Townsley
Accounting Officer

8/12/20

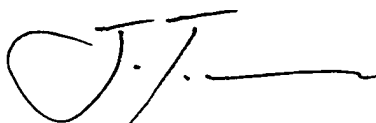
The GORSE Academies Trust
STATEMENT on REGULARITY, PROPRIETY and COMPLIANCE

As accounting officer of The GORSE Academies Trust I have considered my responsibility to notify the board of directors of The GORSE Academies Trust and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

If any instances are identified after the date of this statement, these will be notified to the board of trustees and the ESFA.



Sir John Townsley
Accounting Officer

8/12/20

The GORSE Academies Trust
STATEMENT of DIRECTORS' RESPONSIBILITIES

The directors (who act as trustees for the charitable activities of The GORSE Academies Trust as well as being the directors of the Charitable Company for the purposes of company law) are responsible for preparing the directors' report and the financial statements in accordance with the Annual 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 directors to prepare financial statements for each financial year. Under company law the directors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction (AAD): 2019- 2020
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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 directors 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 the ESFA/DfE have been applied for the purposes intended.

The directors 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 on and signed on its behalf by:


Peter Gruen
Chair

8/12/20

The GORSE Academies Trust
Independent Auditor's report to the Members of The GORSE Academies Trust
for the year ended 31 August 2020

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

The GORSE Academies Trust
Independent Auditor's report to the Members of The GORSE Academies Trust
for the year ended 31 August 2020

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the incorporated 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 18, the Directors (who are directors 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 Directors 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 Directors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

The GORSE Academies Trust
Independent Auditor's report to the Members of The GORSE Academies Trust
for the year ended 31 August 2020


Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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


Shaun Mullins (Dec 17, 2020 17:51 GMT)

Shaun Mullins
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Dec 17, 2020

The GORSE Academies Trust

Independent Reporting Accountant's Assurance Report on the Regularity to the Governing Body of The GORSE Academies Trust and The Education and Skills Funding Agency.

Independent Reporting Accountant's Assurance Report on Regularity to The GORSE Academies Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The GORSE Academies Trust during the period 1 September 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 The GORSE Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The GORSE Academies Trust and the ESFA those matters we are required to state to it 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 The GORSE Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The GORSE Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The GORSE Academies Trust's funding agreement with the Secretary of State for Education dated 30 December 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant

The GORSE Academies Trust

Independent Reporting Accountant's Assurance Report on the Regularity to the Governing Body of The GORSE Academies Trust and The Education and Skills Funding Agency.

matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Conclusion

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

Mazars LLP

Reporting Accountant

Mazars LLP

Dec 17, 2020

The GORSE Academies Trust

Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income from:						
Donations and capital grants	2			2,631	2,631	2,332
Transfer from LA/ESFA on conversion		-	-	-	-	11,778
Charitable activities:						
Teaching Schools	25	-	5,555	-	5,555	4,735
Funding for the academy trust's educational operations	3	3,182	47,409	-	50,591	47,918
Other trading activities	4	280	-	-	280	431
Investments	5	18	-	-	18	30
Total		3,480	52,964	2,631	59,075	67,224
Expenditure on:						
Charitable activities:						
Teaching Schools	25	-	5,562	-	5,562	4,727
Academy trust educational operations	6	1,934	49,662	4,273	55,869	52,098
Total		1,934	55,224	4,273	61,431	56,825
Net income / (expenditure)		1,546	(2,260)	(1,642)	(2,356)	10,399
Transfers between funds	15	(375)	(776)	1,151	-	-
Other recognised gains :						
Actuarial (losses) on defined benefit pension schemes	22	-	(6,225)	-	(6,225)	(6,319)
Net movement in funds		1,171	(9,261)	(491)	(8,581)	4,080
Reconciliation of funds						
Total funds brought forward		3,005	(14,819)	118,016	106,202	102,122
Total funds carried forward		4,176	(24,080)	117,525	97,621	106,202

The GORSE Academies Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019
	Note	£000	£000	£000	£000
Income from:					
Donations and capital grants	2	-	-	2,332	2,332
Transfer from LA/EFA on conversion	22	(741)	(751)	13,270	11,778
Charitable activities:					-
Teaching Schools		-	4,735	-	4,735
Funding for the academy trust's educational operations	3	4,375	43,543	-	47,918
Other trading activities	4	431	-	-	431
Investments	5	30	-	-	30
					-
Total		4,095	47,527	15,602	67,224
Expenditure on:					
Charitable activities:					
Teaching Schools		-	4,727	-	4,727
Academy trust educational operations	6	2,334	45,848	3,916	52,098
Total		2,334	50,575	3,916	56,825
Net income / (expenditure)		1,761	(3,048)	11,686	10,399
Transfers between funds	16	(789)	97	692	-
Other recognised (losses)/gains :					
Actuarial (losses) on defined benefit pension schemes	16	-	(6,319)	-	(6,319)
Net movement in funds		972	(9,270)	12,378	4,080
Reconciliation of funds					
Total funds brought forward		2,033	(5,549)	105,638	102,122
Total funds carried forward		3,005	(14,819)	118,016	106,202

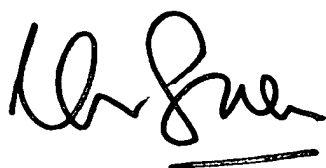
The GORSE Academies Trust
Balance Sheet
as at 31 August 2020

Company Number 07465701

	Notes	Total 2020 £000	Total 2020 £000	Total 2019 £000	Total 2019 £000
Fixed assets					
Tangible assets	12		116,075		117,054
Current assets					
Debtors	13	1,337		1,191	
Cash at bank and in hand	20	<u>7,731</u>		<u>9,623</u>	
		9,068		10,814	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(3,062)</u>		<u>(6,249)</u>	
Net current assets			<u>6,006</u>		<u>4,565</u>
Total assets less current liabilities			122,081		121,619
Creditors: Amounts falling due after more than one year	14		<u>(185)</u>		<u>(432)</u>
Net assets excluding pension liability			<u>121,896</u>		<u>121,187</u>
Defined benefit pension scheme liability	15		<u>(24,275)</u>		<u>(14,985)</u>
Total net assets			<u>97,621</u>		<u>106,202</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	117,525		118,016	
Restricted income fund	15	195		166	
Pension reserve	15	<u>(24,275)</u>		<u>(14,985)</u>	
Total restricted funds			93,445		103,197
Unrestricted income funds	15		<u>4,176</u>		<u>3,005</u>
Total funds			<u>97,621</u>		<u>106,202</u>

The financial statements on pages 24-47 were approved by the trustees, and authorised for issue on 8 December 2020 and are signed on their behalf by:

Mr P Gruen
Chair



The GORSE Academies Trust
Statement of Cash Flows
for the year ended 31 August 2020

	Notes	Total 2020 £000	Total 2019 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(1,247)	1,577
Cash flows from investing activities	19	(645)	(186)
Change in cash and cash equivalents in the reporting period		<u>(1,892)</u>	<u>1,391</u>
Cash and cash equivalents at 1 September 2019		9,623	8,232
Cash and cash equivalents at the 31 August 2020	20	<u>7,731</u>	<u>9,623</u>

The GORSE Academies Trust

Notes to the Financial Statements for the period ended 31 August 2020

1 Statement of Accounting Policies : Basis of preparation

Basis of Preparation

The Financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

The GORSE Academies Trust

Notes to the Financial Statements for the period ended 31 August 2020

(continued)

- **Donated goods, facilities and services**

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Transfer on Conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to net the assets received.

Expenditure

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Exceptions to this are periodic payments in respect of insurance, water and telephone charges and other annual premiums where amounts have not been accrued. However the financial statements do include the equivalent of a full years expenditure in respect of these items. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 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.

The GORSE Academies Trust

Notes to the Financial Statements for the period ended 31 August 2020

(continued)

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

• Freehold buildings	2 - 10% straight line
• Long leasehold buildings	2 - 10% straight line
• Fixtures, fittings and equipment	10 - 25% straight line
• ICT hardware	25% straight line
• Motor Vehicles	12.5% straight line

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

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

Donated or Assets transferred at nil value are accounted for at the fair (open market) value. That is the price that the academy trust estimates it would pay in the open market for them.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

The GORSE Academies Trust

Notes to the Financial Statements for the period ended 31 August 2020

(continued)

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows: Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment. Cash at bank – is classified as a basic financial instrument and is measured at face value. None are included in this model but if relevant the suggested disclosure could be as follows, with valuation in line with the SORP [paragraphs 10.44 to 10.49] 42 Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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.

Taxation

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

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

The GORSE Academies Trust

Notes to the Financial Statements for the period ended 31 August 2020

(continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The GORSE Academies Trust

Notes to the Financial Statements for the year ended 31 August 2020

(continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Donations and capital grants	-	2,631	2,631	2,332
	-	2,631	2,631	2,332

The income from donations and capital grants was £2,631k (2019 £2,332k), of which £nil was unrestricted (2019 £nil), £nil restricted (2019 £nil) and £2,631k restricted fixed assets (2019 £2,332k).

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE / ESFA grants				
. General Annual Grant (GAG)		42,927	42,927	41,484
. Start Up Grants	-	365	365	282
. Other DfE/Group grants	-	6,487	6,487	4,226
	-	49,779	49,779	45,992
Other Government grants				
. Local authority grants	-	1,475	1,475	1,208
	-	1,475	1,475	1,208
Other income from the academy trust's educational operations	3,182	1,710	4,892	5,453
	3,182	52,964	56,146	52,653

The income from funding for the academies trusts educational operations £56,146k (2019 £52,653k) of which £3,182k was unrestricted (2019 £4,375k) £52,964k restricted (2019 £48,278k) and £nil restricted fixed assets (2019 £nil).

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	78	-	78	96
Catering	174	-	174	301
Uniform	10	-	10	13
Music	18	-	18	21
	280	-	280	431

The income from funding for other traded services was £280k (2019 £431k) of which £280k was unrestricted (2019 £431k) £nil restricted (2019 £nil) and £nil restricted fixed assets (2019 £nil).

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	18	-	18	30
	18	-	18	30

The income from investments was £18k (2019 £30k) of which £18k was unrestricted (2019 £30k) £nil restricted (2019 £nil) and £nil restricted fixed assets (2019 £nil).

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total 2020	Total 2019
	£000	Premises £000	Other £000	£000	£000
Academy's educational operations:					
. Direct costs	36,810	4,060	1,303	42,173	38,665
. Allocated support costs	8,728	3,037	1,931	13,696	13,434
. Teaching Schools	559	-	5,003	5,562	4,726
	46,097	7,097	8,237	61,431	56,825

Net income/(expenditure) for the period includes:

	Total 2020	Total 2019
	£000	£000
Operating lease rentals	319	243
Depreciation	4,273	3,916
Fees payable to auditor for:		
- audit	26	27
- other services	14	21

7 Charitable activities

	Total 2020	Total 2019
	£000	£000
Direct costs – educational operations	42,173	38,665
Support costs – educational operations	13,696	13,434
Teaching Schools	5,562	4,726
	61,431	56,825

Analysis of support costs

	Educational operations	Total 2020	Total 2019
	£000	£000	£000
7a Support staff costs	8,728	8,728	7,756
Depreciation	214	214	196
Premises costs	2,823	2,823	3,093
Legal costs - other	67	67	27
Other support costs	1,819	1,819	2,286
Governance costs	45	45	76
Total support costs	13,696	13,696	13,434

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

8 Staff

a. Staff costs

Staff costs during the period were:	Total 2020	Total 2019
	£000	£000
Wages and salaries	33,354	30,880
Social security costs	3,293	2,918
Pension costs	9,153	6,506
	45,800	40,304
Supply staff costs	220	264
Staff restructuring costs	77	239
	46,097	40,807
Staff restructuring costs comprise:		
Redundancy payments	66	54
Severance payments	10	185
	76	239

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10k (2019 £153,122). Individually, the payments were: £10k (2019 £29,776, £24,967, £16,229, £13,000, £8,800, £8,114, £7,675, £7,500, £6,056, £6,000, £6,000, £4,797, £3,305 and £3,200)

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	593	542
Administration and support	624	638
Management	20	17
	1,237	1,197

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

d Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	14	11
£70,001 - £80,000	7	3
£80,001 - £90,000	2	3
£90,001 - £100,000	2	4
£100,001 - £110,000	5	5
£110,001 - £120,000	2	1
£120,001 - £130,000	2	2
£190,001 - £199,000	-	1
£220,001 - £230,000	1	-
	<u>35</u>	<u>30</u>

e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £2,576,420 -20 staff (2019: £2,132,365-17 staff).

The GORSE Academies Trust

Notes to the Financial Statements for the year ended 31 August 2020

(continued)

9 Central Services

The GORSE Academies Trust provided the following services to its academies during the period

- Budgeting support and advice
- HR support and advice
- Educational support services
- Financial management
- Operation management
- Admissions and governance
- ICT services
- Health and Safety

The Trust policy is to charge the constituent academies a percentage of their forecast funding from the Education and Skills Funding Agency (ESFA) and the Local Authority and specific centrally incurred charges.

The actual amounts charged during the year were as follows:

	Total 2020 £000	Total 2019 £000
Hillcrest Academy	117	118
Morley Newlands Academy	147	136
Richmond Hill Academy	190	217
Ryecroft Academy	91	86
Boston Spa Academy	-	-
Bruntcliffe Academy	219	219
The Farnley Academy	344	318
The Morley Academy	361	196
The Ruth Gorse Academy	373	347
Elliott Hudson College	-	227
Stephen Longfellow Academy	172	179
	2,014	2,043

10 Related Party Transactions - Trustees' Remuneration and Expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer only receives remuneration in respect of services he provide undertaking the role of Chief Executive Officer under his contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Chief Executive Officer

- . Remuneration £220,001 - £230,000 (2019: £190,001 - £200,000)
- . Employer's pension contributions paid £40,001 - £50,000 (2019: £30,000 - £35,000)

11 Directors' and Governors' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2019: £5,000,000) on any one claim and the cost for the year ended 31 August 2020 was included in the overall policy costs. The cost of this insurance is included in the total insurance cost for the year.

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

12 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total 2020
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2019	57,141	69,318	1,781	4,827	32	133,099
Additions	1,355	1,299	309	331	-	3,294
Reclassifications	(6,047)	6,047	5	(5)	-	-
At 31 August 2020	52,449	76,664	2,095	5,153	32	136,393
Depreciation						
At 1 September 2019	3,306	8,450	1,040	3,220	29	16,045
Charged in year	1,339	1,887	307	737	3	4,273
At 31 August 2020	4,645	10,337	1,347	3,957	32	20,318
Net book values						
At 31 August 2019	53,835	60,867	741	1,607	4	117,054
At 31 August 2020	47,804	66,327	748	1,196	-	116,075

A charge exists with the Secretary of State for Education on Elliott Hudson College and The Ruth Gorse Academy land and buildings.

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

13 Debtors	2020	2019
	£000	£000
Trade debtors	875	808
VAT recoverable	426	362
Prepayments and accrued income	36	21
	<u>1,337</u>	<u>1,191</u>

14 Creditors: Amounts falling due within one year	2020	2019
	£000	£000
Trade creditors	1,959	1,484
Other creditors	256	205
Accruals and deferred income	847	4,560
	<u>3,062</u>	<u>6,249</u>

Deferred Income	2020	2019
	£000	£000
Deferred income as at 31st August 2019	266	239
Resources released in year	(266)	(239)
Deferred income	268	266
Deferred income as at 31st August 2020	<u>268</u>	<u>266</u>

Creditors: Amounts falling due in greater than one year	2020	2019
	£000	£000
Accruals and deferred income	<u>185</u>	<u>432</u>

Deferred Income	2020	2019
	£000	£000
Deferred income as at 31st August 2019	-	163
Resources released in year	-	(163)
Deferred income as at 31st August 2020	<u>-</u>	<u>-</u>

Within the creditors accruals and deferred income is £119k for Universal Infant Free School Meals and £147k Rates.

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

15 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	-	42,927	(42,151)	(776)	-
Start Up Grant	-	365	(365)	-	-
Other ESFA/DfE grants	-	6,487	(6,487)	-	-
Other LEA Grants	-	1,475	(1,475)	-	-
Other Income	-	1,680	(1,680)	-	-
Other restricted income 3G pitch	166	30	(1)	-	195
Pension reserve	(14,985)	-	(3,065)	(6,225)	(24,275)
	<u>(14,819)</u>	<u>52,964</u>	<u>(55,224)</u>	<u>(7,001)</u>	<u>(24,080)</u>
Restricted fixed asset funds					
Assets	118,016	2,631	(4,273)	1,151	117,525
	<u>118,016</u>	<u>2,631</u>	<u>(4,273)</u>	<u>1,151</u>	<u>117,525</u>
Total restricted funds	<u>103,197</u>	<u>55,595</u>	<u>(59,497)</u>	<u>(5,850)</u>	<u>93,445</u>
Total unrestricted funds	<u>3,005</u>	<u>3,480</u>	<u>(1,934)</u>	<u>(375)</u>	<u>4,176</u>
Total funds	<u>106,202</u>	<u>59,075</u>	<u>(61,431)</u>	<u>(6,225)</u>	<u>97,621</u>

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

Restricted general funds have been spent in line with the terms of the Master Funding Agreement.

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of The GORSE Academies Trust.

A total of £375k of unrestricted funds and £776k restricted funds have been transferred to restricted fixed assets £1,151k. The restricted pension fund is in deficit to the value of £24,275k (2019: £14,985k). The increase is due to the increase in the actuarial costs. Directors will continue to monitor the situation.

Comparative information in respect of the preceding period is as follows

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	-	41,483	(41,581)	98	-
Start Up Grant	-	282	(282)	-	-
Other ESFA/DfE grants	-	4,226	(4,226)	-	-
Other LEA Grants	-	1,208	(1,208)	-	-
Other Income	-	1,030	(1,030)	-	-
Other restricted income 3G pitch	156	48	(38)	-	166
Pension reserve	(5,705)	(751)	(2,210)	(6,319)	(14,985)
	<u>(5,549)</u>	<u>47,526</u>	<u>(50,575)</u>	<u>(6,221)</u>	<u>(14,819)</u>
Restricted fixed asset funds					
Assets	105,638	15,603	(3,916)	691	118,016
	<u>105,638</u>	<u>15,603</u>	<u>(3,916)</u>	<u>691</u>	<u>118,016</u>
Total restricted funds	<u>100,089</u>	<u>63,129</u>	<u>(54,491)</u>	<u>(5,530)</u>	<u>103,197</u>
Total unrestricted funds	<u>2,033</u>	<u>4,095</u>	<u>(2,334)</u>	<u>(789)</u>	<u>3,005</u>
Total funds	<u>102,122</u>	<u>67,224</u>	<u>(56,825)</u>	<u>(6,319)</u>	<u>106,202</u>

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
1 Hillcrest Academy	378	404
2 Morley Newlands Academy	220	156
3 Richmond Hill Academy	415	357
4 Ryecroft Academy	103	88
5 Boston Spa Academy	31	52
6 Boston Spa Academy 3G Pitch	10	-
7 The Bruntcliffe Academy	127	232
8 Bruntcliffe 3G Pitch	185	166
9 The Farnley Academy	173	97
10 The Morley Academy	383	447
11 The Ruth Gorse Academy	356	350
12 Elliott Hudson College	311	109
13 Stephen Longfellow Academy	305	177
14 GORSE SCITT	7	13
15 The GORSE Academies Trust	1,367	523
Total before fixed assets and pension reserve	4,371	3,171
Restricted fixed asset fund	117,525	118,016
Pension reserve	(24,275)	(14,985)
Total	97,621	106,202

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2020 £000	Total 2019 £000
Hillcrest Academy	1,423	173	124	276	1,996	1,840
Morley Newlands Academy	1,864	226	159	327	2,576	2,419
Richmond Hill Academy	2,356	191	204	608	3,359	3,138
Ryecroft Academy	1,253	161	167	235	1,816	1,610
Boston Spa Academy	3,324	599	271	908	5,102	5,196
Bruntcliffe Academy	2,902	418	230	745	4,295	4,288
The Farnley Academy	4,598	1,079	489	1,167	7,333	6,731
The Morley Academy	6,102	772	378	989	8,241	7,994
The Ruth Gorse Academy	4,816	549	268	906	6,539	5,917
Elliott Hudson College	3,540	382	169	590	4,681	4,415
Stephen Longfellow Academy	2,211	296	122	368	2,997	2,656
GORSE SCITT	360	199	29	734	1,322	1,136
The GORSE Academies Trust	2,420	3,884	97	500	6,901	5,569
	37,169	8,929	2,707	8,353	57,158	52,909

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2020
	£000	£000	£000	£000
Tangible fixed assets	-	-	116,075	116,075
Current assets	4,176	3,442	1,450	9,068
Total liabilities	-	(3,247)	-	(3,247)
Pension scheme liability	-	(24,275)	-	(24,275)
Total net assets	4,176	(24,080)	117,525	97,621

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2019
	£000	£000	£000	£000
Tangible fixed assets	-	-	117,054	117,054
Current assets	3,005	6,847	962	10,814
Current liabilities	-	(6,681)	-	(6,681)
Pension scheme liability	-	(14,985)	-	(14,985)
Total net assets	3,005	(14,819)	118,016	106,202

17 Operating leases

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

	2020 £000	2019 £000
Amounts due within one year	327	240
Amounts due between one and five years	510	375
	837	615

The GORSE Academies Trust

Notes to the Financial Statements for the year ended 31 August 2020

(continued)

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

	2020	2019
	£000	£000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(2,356)	10,399
Depreciation charges (note 12)	4,273	3,916
Capital grants from DfE/ESFA and other capital income	(2,631)	(2,332)
Interest receivable (note 5)	(18)	(30)
Defined benefit pension scheme obligation inherited	-	751
Defined benefit pension scheme cost less contributions payable (note 23)	2,794	2,057
Defined benefit pension scheme finance cost (note 23)	271	153
(Increase)/Decrease in debtors	(146)	24
Decrease in creditors	(3,434)	(91)
Transfer on conversion	-	(13,270)
Net cash (used in)/provided operating activities	(1,247)	1,577

19 Cash Flows from investing activities

	2020	2019
	£000	£000
Dividends, interest and rents from investments	18	30
Purchase of tangible fixed assets	(3,294)	(2,548)
Capital grants from DfE/ESFA	2,631	2,332
Net cash (used in) activities	(645)	(186)

20 Analysis cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand and at bank	7,731	9,623
Total cash and cash equivalents	7,731	9,623

21 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.

The GORSE Academies Trust

Notes to the Financial Statements for the year ended 31 August 2020

(continued)

22 Pension and Similar Obligations

INTRODUCTION

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

SCHEME CHANGES

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The GORSE Academies Trust
Notes to the Financial Statements for the year ended 31 August 2020
(continued)

22 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate administered funds.

The total contribution made for the year ended 31 August 2020 are £2,089,000 (2019: £1,844,000), of which employer's contributions totalled £1,468,000 (2019: £1,293,000) and employees' contributions totalled £621,000 (2019: £551,000). The agreed contribution rates for 2020-2021 are 14.8% per cent for employers 15.30% in 2021-2022, and 15.80% in 2022-2023 and 5.5% to 12.5% per cent for employees depending on salary level.

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

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.45%	3.25%
Rate of increase for pensions in payment/inflation	2.20%	2.00%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.20%	2.00%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22	22
Females	25	25
<i>Retiring in 20 years</i>		
Males	22	23
Females	26	27

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	16,428	15,614
Government Bonds	2,048	2,113
Corporate Bonds	1,056	906
Property	908	885
Cash	359	382
Other	317	221
Total market value of assets	21,116	20,121

The GORSE Academies Trust

Notes to the Financial Statements for the year ended 31 August 2020

(continued)

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost	4,256	2,341
Past Service Costs	6	1,009
Net interest cost	271	153
Total operating charge	<u>4,533</u>	<u>3,503</u>

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

	2020 £'000	2019 £'000
At 1 September	35,106	20,844
Upon conversion	-	2,443
Current service cost	4,256	2,341
Interest cost	670	627
Employee contributions	621	551
Actuarial loss	5,079	7,219
Benefits paid	(347)	72
Past service costs	6	1,009
At 31 August	<u>45,391</u>	<u>35,106</u>

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

	2020	2019
At 1 September	20,121	15,139
Upon conversion	-	1,692
Interest income	399	474
Return on plan assets (excluding net interest on the net defined pension liability)	-	900
Actuarial loss	(1,146)	-
Employer contributions	1,468	1,293
Employee contributions	621	551
Benefits paid	(347)	72
At 31 August	<u>21,116</u>	<u>20,121</u>

The GORSE Academies Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

23 Related Party Transactions

There are no related party transactions (2019: none).

24 Agency arrangements

The GORSE Academies Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the Education and Skills Funding Agency (ESFA). In the year it received and distributed £133K. (2019 : £114,881)

In addition the Trust is a School Centred Initial Teacher Training (SCITT) centre and administers the disbursements of bursary funding, on behalf of the National College of Teaching and Learning (NCTL). In the year it received £2,825,150. (2019: £2,325,300)

25 Teaching School trading account

	2020	2020	2020	2019	2019	2019
Income						
Direct Income						
Other Income		5,555			4,735	
Other income						
Total Income			5,555			4,735
Expenditure						
Direct costs						
Direct staff costs	359			305		
Staff development	25			2		
Other direct costs	12			-		
Total direct costs		396			307	
Other costs						
Support staff costs	200			150		
Technology costs	16			20		
Other support costs	4,950			4,249		
Total other costs		5,166		4,419		
Total Expenditure			(5,562)			(4,728)
(Deficit)/surplus from all sources			(7)			7
Teaching school balances at 1 September 2019			13			6
Teaching school balances at 31 August 2020			6			13