

# THE GORSE ACADEMIES TRUST

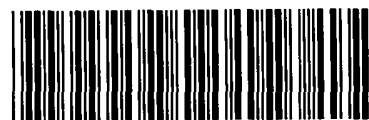
(A COMPANY LIMITED BY GUARANTEE)



## Annual Report and Financial Statements

Year ended  
31 August 2021

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The  
**GORSE**  
Academies Trust

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## **Reference and Administrative details**

### **Members**

D Morgan  
T Elliott  
N Donkin  
J Kay (resigned 22/04/21)  
D Bradshaw  
R West (appointed 01/04/21)

### **Directors and Trustees**

P Gruen (Chair) (resigned 23/07/21)  
T Elliott  
R West (resigned 31/03/21)  
S Slee  
A McAvan (Acting chair 24/07/21) (Chair 01/09/21)  
J Boucher  
S Hall  
R Stephenson (appointed 01/09/20)  
R Jarvis (appointed 01/09/20)  
T Thomas-Marshall (appointed 01/09/20)  
L Banahene (appointed 01/09/20)  
P Forbes (appointed 01/09/20)  
D Morgan (appointed 01/09/20)  
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  
D Seekings  
C Stokes  
A Ryder  
A Foster  
L Moore  
H Townsley  
M Fitzpatrick  
S Done  
S Mckenzie  
B Mallinson  
A Mackenzie  
J Shore

**Company Name**

The GORSE Academies Trust

**Principal and Registered Office**

Bruntcliffe Lane  
Morley  
Leeds  
LS27 0LZ

**Company Registration Number**

07465701 (England and Wales)

**Independent Auditor**

Mazars LLP  
5<sup>th</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP

**Bankers**

Lloyds Bank  
75 Commercial Street  
Batley  
WF17 5EQ

**Solicitors**

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

Church House  
Forbes Solicitors  
90 Deansgate  
Manchester  
M3 2GP

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

## **Director's 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 2021. 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 primary and 11-16 academies within The GORSE Academies Trust all serve their local communities, with The Stephen Longfellow Academy and Elliott Hudson College serving a wider, city-wide community. Our primary academies and 11-16 academies prioritise local families in their admissions policies, in line with local authorities own admissions policy. Each admissions policy priorities children with an Education Health & Care Plan; Children who are Looked After or who were formerly Looked After; Children who have a sibling at the academy; Children who attend one of the identified 'Feeder' academies; Children who live in the 'catchment' area or have the academy as their 'nearest' school; and all other children.

This ensures children with particular disadvantaged circumstances, are linked to the academy with through having a sibling or attending a 'Feeder' school, or live in the local community all have a great opportunity of securing a place at the academy. As a result, the majority of children who attend each of our academies are from the community that the academy serves.

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. Twelve 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).

#### 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 the central finance team. 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 the period 2020-2021	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.

#### Percentage of Pay Bill spent on Facilities Time

Total Cost of Facilities Time	0
Total Pay Bill	£51,575,000
%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

The GORSE Academies Trust encourages the involvement of its employees in its management through regular meetings and briefings. There is close collaboration between the academies with Principals and curriculum leaders sharing best practice. New colleagues are fully inducted, and teachers take part in training throughout the academic year with an annual training day which sees all trust colleagues together in one venue to hear speeches from the CEO and other keynote speakers.

#### Equal Opportunities

The GORSE Academies Trust is committed to ensuring equality of opportunity for all who learn and work in the organisation. Differences in race, gender, sexual orientation, ability, class and age are respected and valued. We strive to remove barriers, which place people at a disadvantage, and we actively promote inclusion.

Employment applications from disabled persons are dealt with the same way as those without a 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, pupils, parents, carers and others in a business relationship with the trust

Delivering the trust's strategy requires strong mutually beneficial relationships with

- Pupils and their parents and carers
- The wider community in which the academies are located
- The trust's regulatory agencies (the DfE and the ESFA) and other partners, which may include non-government grant funders
- Suppliers

In October 2020, the trust commissioned a research company (CCUK Research & Insight) to survey all employees. An online survey was sent via email to all employees (1,329), it was designed to determine the views of the employees on for example, the trust's effectiveness of communication, consultation on strategy, student development and the opportunity to maximise their personal potential.

The results were incredibly positive with 812 employees completing the survey. The results indicated that communications by the trust with staff are strong, and it is considered a good place to work. The trust was also rated highly by staff for all aspects of student development. Principals were asked to identify from the survey results for their academy three areas for improvement over the academic year. The results of these initiatives will be assessed when the survey is repeated in November 2021.

As in 2019-2020 due to the COVID-19 pandemic the level of communication with parents and carers has remained high this has included opening/closing of academies, online learning, face coverings and significantly Teacher Assessed Grades for both GCSE and 'A' level students.

The Trust's strategy is to foster good supply arrangements which benefit both the organisation and the suppliers we utilise. Our aim is to be supplied with the goods and services we need at best value and at the time required, through suppliers being offered fair, open, and transparent ways to bid and provide these goods and services.

Principals/Executive Principals are responsible for identifying and engaging with their pupil and parent populations, as well as appropriate stakeholders in their local communities, including representatives of the Local Authority, local businesses, and neighbouring schools.

#### 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 continuation of the COVID-19 pandemic has again resulted in a challenging year for the education sector. With academies opening for the Autumn term and then being required to remain closed following the Christmas break until 8 March.

The GORSE Academies Trust academies all remained open to the children of key workers and those considered vulnerable.

To ensure the safety of students where possible the trust 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 reduced. This included:

- minimising contact with individuals who are unwell by ensuring that students or members of staff who have coronavirus symptoms get a PCR test and follow test and trace guidance regarding isolating.
- 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;
- 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.

### Leeds Mathematics School

Leeds Mathematics School is a joint venture between The GORSE Academies Trust and University of Leeds. Leeds Mathematics School will educate 205 16-19 year olds, who will each study 'A' Levels in Further Mathematics and Mathematics, alongside a range of other subjects including Physics, Chemistry and Computer Science.

Leeds Mathematics School will act as a beacon of excellence for the Leeds city region and beyond ensuring that pupils of all backgrounds have an opportunity to study mathematics at the very highest level. At the core of the new college's work will be an ambitious outreach programme in primary and secondary schools focused upon developing excellence in Mathematics in younger pupils.

### Leeds Teaching School Hub

In February 2021, The Morley Academy was appointed by The Department for Education to lead its new teaching school hub in Leeds. The hub, which will operate from September 2021, will provide every teacher and school leader at some 250 schools in the city and its neighbouring areas with high-quality professional development and play a key role in building up trainee teachers as they enter the workforce.

The decision to select The Morley Academy and The GORSE Academies Trust to run the Leeds Teaching Hub means the trust will be able to build on its existing teacher training offer. It already leads school-centred initial teacher training provision (SCITT) that is rated Outstanding by Ofsted.

### John Smeaton Academy Divestment

The GORSE Academies Trust worked with the ESFA towards John Smeaton Academy joining the trust from September 2021. John Smeaton Academy is an undersubscribed academy in East Leeds graded 'Inadequate' by OFSTED. The GORSE Academies Trust was approached due to its record of accomplishment and reputation within Leeds for rapidly improving the performance and popularity of schools. A comprehensive due diligence process took place.

### Achievements and Performance

As there are no published results on performance data for the 2020-21 academic year the relative success of the trust compared to nationally or previous years student performance cannot be made.

However, GCSE and 'A' level grades were awarded to students based on Teacher Assessed Grades (TAG) The process for determining these grades was based on the guidance provided by the Joint Council for Qualifications and there was extensive standardisation and moderation for every grade. Extensive staff training on the implementation of the policies and the documentation that would form the evidence base for TAGs.

The support of students, staff and parents was critical in ensuring that all concerned were re-assured of the integrity of the process. Consequently, the trust had very few appeals against the grades.

The GORSE School Centred Initial Teacher Training Centre continues to grow with over 200 trainees being recruited this year within Leeds, Bradford, and the East Coast.

The Stephen Longfellow Academy has been identified to be part of an Alternative Provision Taskforce. This programme aims to support the complex needs of pupils in AP by providing specialist support, drawn from a range of sectors, on site.

In partnership with the Youth Endowment Fund, the data obtained from this program will be used to rigorously test the impact of this co-location of specialists on pupil outcomes, including, truancy rates, NEET, behaviour, mental health and involvement in serious violence.

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 2021, all of these objectives have been met.

### Financial Key Performance Indicators

An unqualified external audit			Met
Maximisation of External Income (to include SCITT income)	Budget (£) 2,894,600	Actual (£) 2,988,440	Met
ESFA financial returns deadlines met.	Audited Financial Statement, Annual Accounts Return, Land Buildings Return, Budget Forecast Return		Met
Curriculum (including ICT) as a % of ESFA income.	Budget	Actual	
Primary	7.24%	6.90%	
Secondary	4.98%	6.07%	
Payment of creditors in less than 30 days			Met
Leavers Total	237		
- % within Trust	8		
- % TUPE	0		
Sickness Absence			
Days Lost			
- Teachers	3156		
- Support Staff	5389		
- Mental Health	1997		
Average Days Per Person			
- Teachers	5.05		
- Support Staff	6.61		

### 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.

During 2020-21 the trust contacted all 11-16 schools in the country providing them with information on Forensic Reading and directing them to the website where they could find a unique set of reading

materials – fiction, non-fiction, poetry, journalism, and multi-media in the form of anthologies supported by PowerPoints and teacher notes.

### **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 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. The GORSE SCITT recruited over 230 trainees in 2020-21.

### **Financial Review**

For the financial period 2020-21 net incoming resources before depreciation of £4,378k (2020: £4,273k) were £552k (2020: £1,917k).

Net current assets at 31 August 2021 were £7,879k (2020: £6,006k).

The tangible fixed assets additions were £2,601k in the year, which includes:

- The Ruth Gorse Academy: £229k Extension, Atrium and PE facilities;
- The Bruntcliffe Academy: £218k improvements to the roof surface;
- Ryecroft Academy: £194k internal refurbishment;
- The Farnley Academy: £178k new technology rooms and
- Hillcrest Academy: £155k replacement of windows.

As at 31 August 2021 The GORSE Academies Trust had cash reserves of £9,311k (2020: £7,731k).

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 2021 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 2019), 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 trust's 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.

### 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 £4,878k (2020: £4,176k) are freely available for general purposes. Individual academy balances are declared in note 15. These will be allocated in line with the strategic objectives of The GORSE Academies Trust and will include future planned capital projects.

The restricted funds and fixed asset reserve of £87,835k (2020: £93,445k) include the restricted funds of £211k (3G Pitch). The restricted pension fund is in deficit to the value of £29,463k (2020: £24,275k) as at 31 August 2021. The Directors will continue to monitor this situation closely.

Free reserves stand at £4,878k. 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 £1m the level for 2020-21 is £649k. As explained above, a portion of these free reserves will be allocated in line with the strategic objectives of the trust and will include future planned capital projects.

### 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;
- 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, considering 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 four.

#### 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

	2020/2021	2019/2020 *
Energy consumption used to calculate emissions (kWh)	12,848,501.89	5,204,345.23

Energy consumption break down (kWh) for electricity, gas and transport fuel.

Scope	Energy Source	Emissions Tonnes (CO <sup>2</sup> e)	
		2020/2021	2019/2020
1	Gas	1,561.04	267.18
	Oil	-	-
	Academy Vehicles	14.03	16.63
2	Electricity   Standard	998.70	843.02
	Electricity   Renewables / Nuclear	-	-
3	Staff mileage in year on academy business	4.77	16.89
Total Emissions		2,578.54	1,143.71

Intensity ratio	0.28	0.12
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Quantification and reporting methodology	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.
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Three key measures taken to improve energy efficiency	Action	
	1	Completed an energy audit in our academies and understand the actions we need to take to reduce our carbon footprint.
	2	Reviewed and updated our heating controls strategy.
	3	Applied for Salix Decarbonisation fund which was unsuccessful.

Intensity measurement	The chosen intensity measurement ratio is total gross emissions in metric tonnes CO <sub>2</sub> e per pupil, the recommended ratio for the sector.
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\*COVID-19 interrupted year. Academies closed as part of the national response to the outbreak.

#### Plans for the Future

The GORSE Academies Trust will continue to work with the Regional Schools Commissioner to support under performing schools in the Leeds area. As a result of this work, John Smeaton Academy, an 11-16 academy in east Leeds, joined the trust on 1<sup>st</sup> September 2021.

Work continues in the development of the Leeds Mathematics School in partnership with the University of Leeds, in preparation for opening in 2023 or 2024. The site for this is expected to be Leeds city centre. Similarly, the site for an already approved primary free school is expected to be established a possible option being east Leeds where there is significant residential and commercial development taking place.

**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 9 December 2021 and signed on its behalf by:



**A McAvan**  
Chair



## **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 five times during the year.

Robust governance and effective financial management has been maintained by supplementing the full Board meetings with six Finance, Audit and Risk Committee meetings, two Members meetings and Performance Management meetings each term for each member of the Executive Team.

In addition to these meetings due to the COVID-19 pandemic the Chair and Vice Chair of the Board have met each week with the Executive Team.

Attendance during the year at meetings of the board was as follows:

Director	Meetings attended	Out of a possible
P Gruen	5	5
A McAvan	5	5
T Elliott	2	5
D Morgan	4	5
J Boucher	3	5
S Hall	5	5
L Banahene	5	5
T Thomas-Marshall	5	5
R Jarvis	4	5
R Stephenson	4	5
P Forbes	4	5

### **Governance Review**

Following the restructure of the Local Governing Bodies in September 2020, the Trust Board strengthen its own membership by increasing its capacity with the addition of six new Trustees. This brought membership of the Trust Board to fourteen in total, with a more diversified Board in the appointment of strong representation from female trustees and trustees from the BAME community. Following a period of settling in of the new trustees, in February 2021 the trustees engaged in a review of the Board facilitated by The Constant Group, a national leader in academy trust governance. The review considered the strengths and areas for development in relation to:

- Strategic Direction
- Culture, Values and Ethos
- Decision-making
- Collaborative Working & External Accountability

- Risk Management
- Educational Improvement & Analysis of Data
- Financial Accountability & Financial Management
- Staffing & Performance Management
- Board Team building, Effectiveness & Evaluation; and
- Governance Structure and Compliance

The trust Board also reviewed the sub-committee arrangements. A separate Audit & Risk Committee and a Finance Committee have been developed, the Remuneration Committee refreshed, and a new Inclusion Committee established. The Board have also appointed a Trust Board Safeguarding Lead, a named Trust Board Whistleblowing contact, and a Governance Professional to assist the Trust Board. These changes have strengthened the operation of the Trust Board as the trust continues to develop.

#### **Finance, Audit and Risk Committee**

The audit committee consisted of the five board members who have met six times within the year. Attendance during the year at meetings of the Finance Audit and Risk Committee was as follows:

Director	Meetings attended	Out of a possible
A McAvan	6	6
S Hall	6	6
J Boucher	5	6
R Jarvis	6	6
R Stephenson	5	6

#### **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 Directors 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*

In the latest performance tables of 2019, The GORSE Academies trust had the sixth highest progress 8 score in the country at 0.59 and was graded 'Well Above Average' for all pupils. For disadvantaged pupils at Key Stage 4 the trust was ranked fourth. Similarly, in the primary sector the trust was ranked fourth on the performance of disadvantage pupils at Key Stage 2 and Post 16 performance continues to be higher than the national average.

The strength of the trust's work has been recognised by OFSTED as GORSE has moved more schools straight from 'Inadequate' to 'Outstanding' than any other trust in the country and expects to see that trend continuing.

#### *Centralised Operations*

The trust operates a centralised system for support services. Finance, ICT, HR, Admissions, Health and Safety, 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 the Chief Executive Officer and Executive Principals. Each Local Governing Body and the Finance and Risk Committee of the Board are provided with detailed variance analysis reports and outturn forecasts along with Key Performance Indicators.

### *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 catering.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The GORSE Academies Trust for the financial year ended 31 August 2021 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 2021 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 2020-21 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 auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 9 December 2021 and signed on its behalf by:



A McAvan  
Chair



Sir John Townsley  
Accounting Officer

### 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 Academy Trust Handbook.

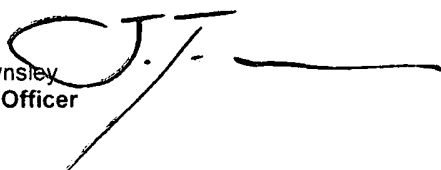
I confirm that I and the academy trust board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook.

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.

Approved by the Accounting officer on 9 December 2021 and signed by:

Sir John Townsley  
Accounting Officer



### 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): 2020- 2021
- 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 9 December 2021 and signed on its behalf by:



A McAvan  
Chair

**Independent Auditor's report for the Directors of the GORSE Academies Trust  
for the year ended 31 August 2021**

**Opinion**

We have audited the financial statements of The GORSE Academies Trust ("the ' Academy Trust") for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021.

**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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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.

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 20, 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.

#### **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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-



compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://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.

**Mazars LLP**

Mazars LLP (Dec 16, 2021 13:32 GMT)

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

5th Floor,  
3 Wellington Place  
LS1 4AP

Date: Dec 16, 2021

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

In accordance with the terms of our engagement letter dated November 2021 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 2020 to 31 August 2021 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 November 2016 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP (Dec 16, 2021 13:32 GMT)

Signature

Reporting Accountant

Mazars LLP  
5<sup>th</sup> Floor  
3 Wellington Place  
LS1 4AP

Date Dec 16, 2021

# The GORSE Academies Trust

## Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	<b>Total 2021</b>	Total 2020  (restated)
	Note	£000	£000	£000	£000	£000
<b>Income from:</b>						
Donations and capital grants	2	-	-	2,185	<b>2,185</b>	2,631
<b>Charitable activities:</b>						
Teaching schools	25	-	2,499	-	<b>2,499</b>	2,518
Funding for the academy trust's educational operations	3	-	58,215	-	<b>58,215</b>	52,256
Other trading activities	4	826	382	-	<b>1,208</b>	755
Investments	5	1	-	-	<b>1</b>	18
<b>Total</b>		<b>827</b>	<b>61,096</b>	<b>2,185</b>	<b>64,108</b>	<b>58,178</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Teaching schools	25	-	2,471	-	<b>2,471</b>	2,525
Academy trust's educational operations	6	208	60,877	4,378	<b>65,463</b>	58,009
<b>Total</b>		<b>208</b>	<b>63,349</b>	<b>4,378</b>	<b>67,935</b>	<b>60,534</b>
<b>Net income / (expenditure)</b>		<b>620</b>	<b>(2,253)</b>	<b>(2,193)</b>	<b>(3,826)</b>	<b>(2,356)</b>
<b>Transfers between funds</b>	15	82	(1,836)	1,755	-	-
<b>Other recognised losses:</b>						
Actuarial losses on defined benefit pension schemes	22	-	(1,082)	-	<b>(1,082)</b>	(6,225)
<b>Net movement in funds</b>		<b>701</b>	<b>(5,171)</b>	<b>(439)</b>	<b>(4,908)</b>	<b>(8,581)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		4,176	(24,080)	117,525	<b>97,621</b>	106,202
<b>Total funds carried forward</b>		<b>4,878</b>	<b>(29,252)</b>	<b>117,087</b>	<b>92,713</b>	<b>97,621</b>

# The GORSE Academies Trust

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020  (restated)
	Note	£000	£000	£000	£000
<b>Income from:</b>					
Donations and capital grants	2			2,631	2,631
<b>Charitable activities:</b>					
Teaching schools	25	-	2,518	-	2,518
Funding for the academy trust's educational operations	3	2,285	49,971	-	52,256
Other trading activities	4	280	475	-	755
Investments	5	18	-	-	18
<b>Total</b>		<b>2,583</b>	<b>52,964</b>	<b>2,631</b>	<b>58,178</b>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
Teaching schools	25	-	2,525	-	2,525
Academy trust educational operations	6	1,037	52,699	4,273	58,009
<b>Total</b>		<b>1,037</b>	<b>55,224</b>	<b>4,273</b>	<b>60,534</b>
<b>Net income / (expenditure)</b>		<b>1,546</b>	<b>(2,260)</b>	<b>(1,642)</b>	<b>(2,356)</b>
<b>Transfers between funds</b>	15	<b>(375)</b>	<b>(776)</b>	<b>1,151</b>	<b>-</b>
<b>Other recognised losses:</b>					
Actuarial losses on defined benefit pension schemes	22	-	(6,225)	-	(6,225)
<b>Net movement in funds</b>		<b>1,171</b>	<b>(9,261)</b>	<b>(491)</b>	<b>(8,581)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		3,005	(14,819)	118,016	106,202
<b>Total funds carried forward</b>		<b>4,176</b>	<b>(24,080)</b>	<b>117,525</b>	<b>97,621</b>

**The GORSE Academies Trust**  
**Balance Sheet**  
**as at 31 August 2021**

**Company Number 07465701**

	Notes	Total 2021 £000	Total 2021 £000	Total 2020 £000	Total 2020 £000
<b>Fixed assets</b>					
Tangible assets	12		114,297		116,075
<b>Current assets</b>					
Debtors	13	1,358		1,337	
Cash at bank and in hand	20	<u>9,311</u>		<u>7,731</u>	
		10,670		9,068	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(2,791)</u>		<u>(3,062)</u>	
<b>Net current assets</b>			<u>7,879</u>		<u>6,006</u>
<b>Total assets less current liabilities</b>			122,176		122,081
Creditors: Amounts falling due after more than one year	14		-		(185)
<b>Net assets excluding pension liability</b>			<u>122,176</u>		<u>121,896</u>
Defined benefit pension scheme liability	15		<u>(29,463)</u>		<u>(24,275)</u>
<b>Total net assets</b>			<u>92,713</u>		<u>97,621</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	117,087		117,525	
Restricted income fund	15	211		195	
Pension reserve	15	<u>(29,463)</u>		<u>(24,275)</u>	
<b>Total restricted funds</b>			87,835		93,445
<b>Unrestricted income funds</b>	15		<u>4,878</u>		<u>4,176</u>
<b>Total funds</b>			<u>92,713</u>		<u>97,621</u>

The financial statements on pages 26 - 50 were approved by the trustees, and authorised for issue on 9 December 2021 and are signed on their behalf by:



Mrs A McAvan  
Chair



The GORSE Academies Trust  
Statement of Cash Flows  
for the year ended 31 August 2021

	Notes	Total 2021 £000	Total 2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	1,995	(1,247)
<b>Cash flows from investing activities</b>	19	(414)	(645)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>1,580</u>	<u>(1,892)</u>
<b>Cash and cash equivalents at 1 September 2020</b>		7,731	9,623
<b>Cash and cash equivalents at the 31 August 2021</b>	20	<u>9,311</u>	<u>7,731</u>

# The GORSE Academies Trust Notes to the Financial Statements for the period ended 31 August 2021

## 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 2021

(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 2021

(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 2021

(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 13. Prepayments are not financial instruments. Cash at bank – is classified as a basic financial instrument and is measured at face value. Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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 22, 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 2021 (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 22, 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 2021. 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.

### **Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

*Similar arrangements are in place for the Teaching school for the distribution of ITT and SKE bursary payments.*

The Academy is also in a arrangement with Taylor Shaw to provide catering services to the Academies.

The funds received and paid, and any balances held are disclosed in note 24.

# The GORSE Academies Trust Notes to the Financial Statements for the year ended 31 August 2021 (continued)

## 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Donations and capital grants	-	2,185	2,185	2,631
	-	2,185	2,185	2,631

The income from donations and capital grants was £2,185k (2020 £2,631k), of which £nil was unrestricted (2020 £nil).

## 3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000 (restated)
. General Annual Grant (GAG)	-	47,845	47,845	42,927
. Start Up Grants	-	94	94	365
. Pupil Premium	-	3,046	3,046	3,015
. Teachers Pension Grant	-	1,785	1,785	1,591
. Student Loan Company Income	-	1,925	1,925	1,804
. Other DfE/ESFA grants	-	3,400	3,400	1,881
	-	58,095	58,095	51,583
Other Government grants				
. Local authority grants	-	1,767	1,767	1,475
	-	1,767	1,767	1,475
COVID-19 additional funding				
. Catch-up premium	-	698	698	-
	-	698	698	-
Other income from the academy trust's educational operations	-	154	154	1,716
	-	60,714	60,714	54,774

The income from funding for the Academy trusts educational operations £60,714 (2020 £57,774k) of which £nil was unrestricted (2020 £2,285k), £60,714k restricted (2020 £52,489k) and £nil restricted fixed assets (2020 £nil).

The Trust received £698k of funding for catch up premium and costs incurred in respect of this totalled £698k.

## 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000 (restated)
Hire of facilities	30	19	50	78
Catering	-	-	-	174
Uniform	9	-	9	10
Music	5	-	5	18
Income from other trading activities	781	363	1,144	475
	826	382	1,208	755

The income from funding for other traded services was £1,208k (2020 £755k) of which £826k was unrestricted (2020 £280k) and £382k restricted (2020 £475k).

## 5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Short term deposits	1	-	1	18
	1	-	1	18

The income from investments was £1k (2020 £18k), of which £1k was unrestricted (2020 £18k), £nil restricted (2020 £nil) and £nil restricted fixed assets (2020 £nil).

The GORSE Academies Trust  
Notes to the Financial Statements for the year ended 31 August 2021  
(continued)

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total 2021	Total 2020
		Premises	Other		(restated)
	£000	£000	£000	£000	£000
Academy's educational operations:					
· Direct costs	40,139	4,159	3,845	48,144	43,691
· Allocated support costs	11,019	3,402	2,898	17,320	14,318
· Teaching schools	416	-	2,055	2,471	2,525
	51,575	7,562	8,798	67,935	60,534

Net income/(expenditure) for the period includes:

	Total 2021	Total 2020
	£000	£000
Operating lease rentals	383	319
Depreciation	4,378	4,273
Fees payable to auditor for:		
- audit	33	26
- other services	26	14

7 Charitable activities

	Total 2021	Total 2020
	£0	(restated) £000
Direct costs – educational operations	48,144	43,691
Support costs – educational operations	17,320	14,318
Teaching schools	2,471	2,525
	67,935	60,534

Analysis of support costs

	Educational operations	Total 2021	Total 2020
	£000	£000	£000
7a Support staff costs	11,019	11,019	8,728
Depreciation	219	219	214
Premises costs	3,184	3,184	2,823
Legal costs - other	172	172	67
Other support costs	2,658	2,658	2,374
Governance costs	67	67	112
<b>Total support costs</b>	<b>17,320</b>	<b>17,320</b>	<b>14,318</b>

# The GORSE Academies Trust Notes to the Financial Statements for the year ended 31 August 2021 (continued)

## 8 Staff

### a. Staff costs

Staff costs during the period were:	Total 2021	Total 2020
	£000	£000
Wages and salaries	36,796	33,354
Social security costs	3,566	3,293
Pension costs	10,902	9,153
	<b>51,264</b>	<b>45,800</b>
Supply staff costs	215	220
Staff restructuring costs	96	77
	<b>51,575</b>	<b>46,097</b>
Staff restructuring costs comprise:		
Redundancy payments	2	66
Severance payments	94	10
	<b>96</b>	<b>76</b>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £94k (2020 £10k). Individually, the payments for 2021 were: £11,081.25, £10,000, £21,401.04, £6,580.85, £3,279.51, £20,000, £4,393.07, £13,802.57 and £3,273.90 (2020 £10k).

### c. Staff numbers

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

	2021 No.	2020 No.
Teachers	572	593
Administration and support	688	624
Management	19	20
	<b>1,279</b>	<b>1,237</b>

# The GORSE Academies Trust Notes to the Financial Statements for the year ended 31 August 2021 (continued)

## d Higher paid staff

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

	2021	2020
	No.	No.
£60,001 - £70,000	19	14
£70,001 - £80,000	8	7
£80,001 - £90,000	5	2
£90,001 - £100,000	-	2
£100,001 - £110,000	4	5
£110,001 - £120,000	3	2
£120,001 - £130,000	3	2
£130,001 - £140,000	1	-
£140,001 - £150,000	1	-
£220,001 - £230,000	1	1
	<b>45</b>	<b>35</b>

## e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership 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 £2,771,895 (2020: £2,576,420).



## The GORSE Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2021

(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  
 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 2021 £000	Total 2020 £000
Hillcrest Academy	175	117
Morley Newlands Academy	176	147
Richmond Hill Academy	256	190
Ryecroft Academy	53	91
Boston Spa Academy	40	-
Bruntcliffe Academy	262	219
The Farnley Academy	397	344
The Morley Academy	398	361
The Ruth Gorse Academy	516	373
Elliott Hudson College	130	-
Stephen Longfellow Academy	235	172
	<b>2,640</b>	<b>2,014</b>

#### 10 Related Party Transactions - Trustees' Remuneration and Expenses

One trustee was paid remuneration or received other benefits from an employment with the academy trust. The Chief Executive Officer only receives remuneration in respect of services he provides undertaking the role of Chief Executive Officer under his contracts of employment. No other trustees received remuneration or other benefits for their respective roles.

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

##### Chief Executive Officer

- Remuneration £220,001 - £230,000 (2020: £220,001 - £230,000)
- Employer's pension contributions paid £40,001 - £50,000 (2020: £40,001 - £50,000)

Employed within the trust are, the spouse and daughter of the Chief Executive Officer, and the daughter of a trustee, their remuneration is in line with national pay scales.

#### 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 (2020: £5,000,000) on any one claim and the cost for the year ended 31 August 2021 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 2021  
(continued)

**12 Tangible Fixed Assets**

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total 2021
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2020	52,449	76,664	2,095	5,153	32	136,393
Additions	927	900	403	370	-	2,601
At 31 August 2021	<u>53,376</u>	<u>77,564</u>	<u>2,498</u>	<u>5,523</u>	<u>32</u>	<u>138,994</u>
<b>Depreciation</b>						
At 1 September 2020	4,645	10,337	1,347	3,957	32	20,318
Charged in year	1,475	1,953	274	676	-	4,378
At 31 August 2021	<u>6,120</u>	<u>12,290</u>	<u>1,621</u>	<u>4,633</u>	<u>32</u>	<u>24,696</u>
<b>Net book values</b>						
At 31 August 2020	47,804	66,327	748	1,196	-	116,075
At 31 August 2021	<u>47,256</u>	<u>65,275</u>	<u>877</u>	<u>889</u>	<u>-</u>	<u>114,297</u>

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 2021  
(continued)

13 Debtors	2021	2020 (restated)
	£000	£000
Trade debtors	108	102
VAT recoverable	330	426
Prepayments and accrued income	920	809
	<b>1,358</b>	<b>1,337</b>

Within prepayments and accrued income for 2021 is £872k for accrued income, individually these are £503k for Pupil Premium income, £322k for Summer School income, £17k FFI income and £30k for Teaching School income.

14 Creditors: Amounts falling due within one year	2021	2020
	£000	£000
Trade creditors	1,486	1,959
Other creditors	106	256
Accruals and deferred income	1,199	847
	<b>2,791</b>	<b>3,062</b>

Deferred Income	2021	2020
	£000	£000
Deferred income as at 31st August 2020	268	266
Resources released in year	(268)	(266)
Deferred income	262	268
Deferred income as at 31st August 2021	<b>262</b>	<b>268</b>

Creditors: Amounts falling due in greater than one year	2021	2020
	£000	£000
Accruals and deferred income	-	185

Within deferred income is £112k for Universal Infant Free School Meals, £145k Rates and £5k for PE Grant.

# The GORSE Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### 15 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	47,845	(46,009)	(1,836)	-
Start Up Grant	-	94	(94)	-	-
Other COVID-19 DFE/ESFA grants	-	698	(698)	-	-
Pupil Premium	-	3,046	(3,046)	-	-
Teachers Pension Grants	-	1,785	(1,785)	-	-
Student Loan Company income	-	1,925	(1,925)	-	-
Other ESFA/DFE grants	-	3,400	(3,400)	-	-
Other LEA Grants	-	1,767	(1,767)	-	-
Other Income	-	517	(517)	-	-
Other restricted income 3G pitch	195	19	(3)	-	211
Pension reserve	(24,275)	-	(4,106)	(1,082)	(29,463)
	(24,080)	61,096	(63,349)	(2,918)	(29,252)
<b>Restricted fixed asset funds</b>					
Assets	117,525	2,185	(4,378)	1,755	117,087
	117,525	2,185	(4,378)	1,755	117,087
<b>Total restricted funds</b>	<b>93,445</b>	<b>63,281</b>	<b>(67,727)</b>	<b>(1,164)</b>	<b>87,835</b>
<b>Total unrestricted funds</b>	<b>4,176</b>	<b>827</b>	<b>(208)</b>	<b>82</b>	<b>4,878</b>
<b>Total funds</b>	<b>97,621</b>	<b>64,108</b>	<b>(67,935)</b>	<b>(1,082)</b>	<b>92,713</b>

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 £82k of unrestricted funds and £2,918k restricted funds have been transferred to restricted fixed assets £1,755k.

The restricted pension fund is in deficit to the value of £29,463k (2020: £24,275k). The increase is due to the net increase of the defined pension benefit pension scheme. Directors will continue to monitor the situation.

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	42,927	(42,152)	(775)	-
Start Up Grant	-	365	(365)	-	-
Other ESFA/DFE grants	-	6,962	(6,962)	-	-
Other LEA Grants	-	1,475	(1,475)	-	-
Other Income	-	1,204	(1,204)	-	-
Other restricted income 3G pitch	166	30	(1)	-	195
Pension reserve	(14,985)	-	(3,065)	(6,225)	(24,275)
	(14,819)	52,963	(55,224)	(7,000)	(24,080)
<b>Restricted fixed asset funds</b>					
Assets	118,016	2,631	(4,273)	1,151	117,525
	118,016	2,631	(4,273)	1,151	117,525
<b>Total restricted funds</b>	<b>103,197</b>	<b>55,594</b>	<b>(59,497)</b>	<b>(5,849)</b>	<b>93,445</b>
<b>Total unrestricted funds</b>	<b>3,005</b>	<b>2,583</b>	<b>(1,037)</b>	<b>(375)</b>	<b>4,176</b>
<b>Total funds</b>	<b>106,202</b>	<b>58,177</b>	<b>(60,534)</b>	<b>(6,224)</b>	<b>97,621</b>

# The GORSE Academies Trust Notes to the Financial Statements for the year ended 31 August 2021 (continued)

## Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £000	Total 2020 £000
1 Hillcrest Academy	556	378
2 Morley Newlands Academy	228	220
3 Richmond Hill Academy	480	415
4 Ryecroft Academy	56	103
5 Boston Spa Academy	69	31
6 Boston Spa Academy 3G Pitch	10	10
7 The Bruntcliffe Academy	184	127
8 Bruntcliffe 3G Pitch	201	185
9 The Farnley Academy	137	173
10 The Morley Academy	375	383
11 The Ruth Gorse Academy	456	356
12 Elliott Hudson College	622	311
13 Stephen Longfellow Academy	444	305
14 GORSE SCITT	34	7
15 The GORSE Academies Trust	1,231	1,367
16 Leeds Teaching Hub	6	-
Total before fixed assets and pension reserve	5,089	4,371
Restricted fixed asset fund	117,087	117,525
Pension reserve	(29,463)	(24,275)
Total	92,713	97,621

## 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 2021 £000	Total 2020 £000
Hillcrest Academy	1,563	179	117	358	2,217	1,978
Morley Newlands Academy	2,009	344	135	403	2,891	2,552
Richmond Hill Academy	2,666	227	274	689	3,856	3,344
Ryecroft Academy	1,319	177	136	301	1,934	1,806
Boston Spa Academy	3,974	469	217	851	5,512	5,086
Bruntcliffe Academy	3,733	472	246	774	5,226	4,164
The Farnley Academy	5,530	765	511	1,154	7,960	7,133
The Morley Academy	5,758	1,234	306	974	8,271	8,033
The Ruth Gorse Academy	4,757	1,142	338	1,048	7,285	6,391
Elliott Hudson College	3,714	521	239	571	5,046	4,559
Stephen Longfellow Academy	2,270	381	120	407	3,177	2,992
GORSE SCITT	380	210	39	709	1,338	1,322
The GORSE Academies Trust	2,883	4,896	225	793	8,797	6,900
GORSE Teaching Hub	-	-	25	23	48	-
Depreciation	-	-	-	-	4,378	4,273
	40,556	11,019	2,926	9,055	67,935	60,534

# The GORSE Academies Trust Notes to the Financial Statements for the year ended 31 August 2021 (continued)

## 16 Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2021 £000
Tangible fixed assets	-	-	114,297	114,297
Current assets	4,878	3,002	2,789	10,670
Current liabilities	-	(2,791)	-	(2,791)
Pension scheme liability	-	(29,463)	-	(29,463)
<b>Total net assets</b>	<b>4,878</b>	<b>(29,252)</b>	<b>117,087</b>	<b>92,713</b>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2020 £000
Tangible fixed assets	-	-	116,075	116,075
Current assets	4,176	3,442	1,450	9,068
Current liabilities	-	(3,062)	-	(3,062)
Non-current liabilities	-	(185)	-	(185)
Pension scheme liability	-	(24,275)	-	(24,275)
<b>Total net assets</b>	<b>4,176</b>	<b>(24,080)</b>	<b>117,525</b>	<b>97,621</b>

## 17 Operating leases

At 31 August 2021 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	354	327
Amounts due between one and five years	414	510
	<b>768</b>	<b>837</b>

# The GORSE Academies Trust Notes to the Financial Statements for the year ended 31 August 2021 (continued)

## 18 Reconciliation of expenditure to net cash flow from operating activities

	2021	2020
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(3,826)	(2,356)
Depreciation charges (note 12)	4,378	4,273
Capital grants from DfE/ESFA and other capital income	(2,185)	(2,631)
Interest receivable (note 5)	(1)	(18)
Defined benefit pension scheme cost less contributions payable (note 22)	3,708	2,794
Defined benefit pension scheme finance cost (note 22)	398	271
Increase in debtors	(20)	(146)
Decrease in creditors	(456)	(3,434)
<b>Net cash provided by / (used in) operating activities</b>	<b>1,995</b>	<b>(1,247)</b>

## 19 Cash Flows from investing activities

	2021	2020
	£000	£000
Dividends, interest and rents from investments	1	18
Purchase of tangible fixed assets	(2,601)	(3,294)
Capital grants from DfE/ESFA	2,185	2,631
<b>Net cash used in activities</b>	<b>(414)</b>	<b>(645)</b>

## 20 Analysis cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	9,311	7,731
<b>Total cash and cash equivalents</b>	<b>9,311</b>	<b>7,731</b>

## 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 2021

(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 2021

(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 2021 are £2,402,000 (2020: £2,089,000), of which employer's contributions totalled £1,702,000 (2020: £1,468,000) and employees' contributions totalled £700,000 (2020: £621,000). The agreed contribution rates for 2020-2021 are 14.8% per cent for employers 15.30% in 2021-2022, 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 2021	At 31 August 2020
Rate of increase in salaries	3.85%	3.45%
Rate of increase for pensions in payment/inflation	2.60%	2.20%
Discount rate for scheme liabilities	1.70%	1.70%
Inflation assumption (CPI)	2.60%	2.20%

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 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22	22
Females	25	25
<i>Retiring in 20 years</i>		
Males	23	22
Females	26	26

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

	Fair value at 31 August 2021 £000	Fair value at 31 August 2020 £000
Equities	22,398	16,428
Government Bonds	2,234	2,048
Corporate Bonds	1,229	1,056
Property	1,061	908
Cash	614	359
Other	391	317
<b>Total market value of assets</b>	<b>27,927</b>	<b>21,116</b>

The GORSE Academies Trust  
Notes to the Financial Statements for the year ended 31 August 2021  
(continued)

Amounts recognised in the statement of financial activities

	2021	2020
	£000	£000
Current service cost (net of employer contributions)	5,410	4,256
Employer contributions	(1,702)	(1,468)
Past Service Costs	-	6
Net interest cost	398	271
Total operating charge	<u>4,106</u>	<u>3,065</u>

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

	2021	2020
	£'000	£'000
At 1 September	45,391	35,106
Current service cost	5,410	4,256
Interest cost	774	670
Employee contributions	700	621
Actuarial loss	5,590	5,079
Benefits paid	(475)	(347)
Past service costs	-	6
At 31 August	<u>57,390</u>	<u>45,391</u>

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

	2021	2020
At 1 September	21,116	20,121
Interest income	376	399
Actuarial gains/(loss)	4,508	(1,146)
Employer contributions	1,702	1,468
Employee contributions	700	621
Benefits paid	(475)	(347)
At 31 August	<u>27,927</u>	<u>21,116</u>

# The GORSE Academies Trust Notes to the Financial Statements for the year ended 31 August 2021 (continued)

## 23 Related Party Transactions

There are no related party transactions except for those disclosed in note 10. (2020: 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 £153k (2020: £133k) and distributed £116k (2020: £133k), £37k is recorded in accrued creditors relating to undistributed funds.

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 ending 31 August 2021 it received £3,070k (2020: £2,825k) distributed £3,026k (2020: £2,825k) and accrued £44k for undistributed funds. It also received £99k (2020: £201k), distributed £58k (2020: £189k) and recognised creditors of £41k (2020: £11k) for SKE bursaries.

The Trust is also in an agency arrangement with a catering company to provide meals to pupils and staff. In the period ending 31 August 2021 income received in regard to this arrangement was £1,116k (2020: £897k) and the amount disbursed was £1,116k (2020: £897k).

## 25 Teaching School trading account

	2021	2021	2021	2020	2020	2020
	£000	£000	£000	(restated) £000	(restated) £000	(restated) £000
<b>Income</b>						
Direct Income						
Other Income		2,499			2,518	
<b>Total Income</b>			2,499			2,518
<b>Expenditure</b>						
Direct costs						
Direct staff costs	380			359		
Staff development	29			25		
Other direct costs	8			12		
<b>Total direct costs</b>		416			396	
Other costs						
Support staff costs	210			200		
Technology costs	17			16		
Other support costs	1,828			1,913		
<b>Total other costs</b>		2,055			2,129	
<b>Total Expenditure</b>			2,471			2,525
Surplus/(deficit) from all sources			27			(7)
Teaching school balances at 1 September 2020			6			13
Teaching school balances at 31 August 2021			33			6

## 26 Post balance sheet events

On 1 September 2021 John Smeaton Academy joined the GORSE Academies Trust.

## The GORSE Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2021

(continued)

#### 27 Prior year adjustments

In September 2020 the Trust adopted the DfE/EFSA's new accounting structure. To better present the Trust's financial position and to aid comparability, the reclassifications identified below and made to the 2021 financial statements have also been made to the comparative 2020 figures. These reclassifications have no effect on the total funds carried forward nor on the net expenditure for the year.

The following reclassifications have been made to the prior year income and expenditure:

##### Income

- £897k has been removed from income following a review of the terms of the catering contract which has concluded that this represents an agency arrangement. Further details are shown in note 24.
- £3,037k has been reclassified from Teaching Schools to Academy Trust's educational operations to better reflect the agency arrangement in respect of the SCITT and SKE.
- £475k has been reclassified within income from Academy Trust education operations to other trading activities relating to alternative provision place income at Stephen Longfellow Academy.

##### Expenditure

- £897k has been removed from expenditure following a review of the terms of the catering contract which has concluded that this represents an agency arrangement. Further details are shown in note 24.
- £3,037k has been reclassified from Teaching Schools to Academy Trust's educational operations to better reflect the agency arrangement in respect of the SCITT and SKE.

##### Note 3

Following the reclassification in the Academies Accounts Direction 2020/21 Pupil Premium, Teachers Pension Grant and Student Loan Company income have been split out from Other DfE/ESFA grant income for the current and prior year.

##### Note 13

£773k of accrued income for Pupil Premium, Summer school, FFI and Teaching school income has been reclassified in the prior year from trade debtors to prepayments and accrued income to better represent the balance. Total debtors for 2020 remain at £1,337k.