

Company Registration Number: 07633402 (England & Wales)

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dr R Keal
L Kemp (resigned 6 December 2019)
W Taylor
N Blackett
R Williams (appointed 18 May 2020)

Trustees

Dr R Keal
R W Jeavons-Fellows (resigned 16 September 2019)
A Shipway (appointed 14 October 2019)
W Taylor, Chair of Trustees
H Yorke
J Holmes
J Purcell
T Haywood
C King, Chief Executive Officer

Company registered number

07633402

Company name

Severn Academies Educational Trust

Principal and registered office

Severn Academies Educational Trust
Wyre Forest House
Finepoint Way
Kidderminster
Worcestershire
DY11 7WF

SEVERN ACADEMIES EDUCATIONAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Company secretary

D K Rizos

Chief Executive Officer

C King

Senior Leadership Team

Mr C King, Chief Executive Officer

J Elwis, Educational Director Primary and Headteacher of Stourport Primary

S Peace, School Improvement Advisor

D K Rizos, Chief Financial Officer & Company Secretary

J Sheers, Deputy Chief Executive Officer and Educational Director Secondary

K Hands, Director of SCITT

Independent auditor

Crowe U.K. LLP

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Bankers

Lloyds Bank plc

1 Vicar Street

Kidderminster

Worcestershire

DY10 1DH

Solicitors

Stone King LLP

13 Queen Square

Bath

BA1 2HJ

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and auditor's report of the Charitable Company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' Report under company law.

At the financial year end, Severn Academies Educational Trust (the Trust) operated 2 High Schools and 5 Primary Schools in the Wyre Forest Area, Worcestershire. At the census date October 2020 the combined schools had 3042 pupils on roll between the ages of 4-18.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Severn Academies Educational Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Severn Academies Educational Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

During the year, an indemnity from the Trust was available to the Trustees against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Trust. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

The term of office for any Trustee (other than Co-opted Directors under Article 58) is four years although the time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

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

Structure, governance and management (continued)

e. Policies and procedures adopted for the induction and training of Trustees

The Academy continues to procure relevant training and development partners for all aspects of our organisation and work. Additional training is provided as required, based on individual or collective need. External advice and support is commissioned where necessary.

A governance development programme has been followed during 2019/20 which allows all Trustees and Local Governors access to training which enhances their contribution to Governance within the Trust.

All new members and directors follow the detailed induction programme listed in the Trust document 'Checklist for all Members & Trustees'.

f. Organisational structure

The structure of the Trust's leadership consists of the Board of Trustees and the CEO; who is also a Trustee, and Accounting Officer. Each school within the Trust has a Principal / Headteacher and Senior Leadership Team which also reports to its Local Governing Body. An aim of this leadership structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Multi Academy Trust nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the Trust's policies, adopting the Trust Strategic Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Trust including its curriculum, the achievement and welfare of students and staffing.

The CEO and SAET Executive Team lead and manage the Trust, implementing the policies set by the Board of Trustees and reporting back to them.

The Board of Trustees has established a Finance (Audit & Risk) Committee with its own terms of reference detailing the responsibilities discharged to the committee and to the CEO (The Accounting Officer). The terms of reference and meeting frequency for the committee is reviewed and approved by the Board of Trustees annually. The terms of reference for the Finance (Audit & Risk) Committee details the Academy's authorised spending limits.

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

The Board of Trustees consider the senior leadership team; comprising of the key management personnel of the Trust, to be in charge of directing, controlling, running and operating the Trust on a day to day basis.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings but also takes into consideration performance and change in responsibilities.

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

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Academy Trust works in partnership with other schools and other private sector organisations to further the aims of the Trust.

We work extremely closely and in collaboration with many partners across the West Midlands. The Stourport High School & Vith Form College was awarded SCITT status in 2014. This is a self-funding model with successful applicants achieving QTS and PGCE in one year. Bursaries are sought by individuals via the Department for Education and other interested parties.

The staffing structure of the Trust is organised to reflect the aim of ensuring capacity to lead and manage the SCITT programme whilst ensuring the Trust can maintain outstanding outcomes and implement initiatives to improve student outcomes.

There are no related parties which either control or significantly influence the decisions and operations of Severn Academies Educational Trust and all transactions are undertaken at arm's length in the normal course of activities. There are no sponsors associated with the Trust.

i. Engagement with employees (including disabled persons)

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

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

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

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

Full details of these policies are available from the Academy Trust's offices.

j. Engagement with suppliers, customers and others in a business relationship with the Academy Trust

The overriding principle to the Trust's business relationships with suppliers, customers and others is the principle of Best Value.

The internal Finance Policy of the Trust details the procedures followed for purchases at various levels of cost and the tender processes followed to ensure fairness and clarity.

Customers have access to facilities and services in return for a fair price and prompt payment.

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

Structure, governance and management (continued)

k. Trade Union Facility Time

The Trust employs no trade union officials and therefore had no time or costs spent on union activities during the year.

Objectives and activities

a. Objects and aims

The object of Severn Academies Educational Trust is set out in the Company's Articles of Association.

The Board of Trustees continues to set the MAT aims through the Trusts Strategic Plan. These aims are monitored closely by the way of reports to Trustees and Local Governors.

The aims and objectives for the Academy are derived from the following key principles:

- Governance and Vision
- School improvement at scale
- Becoming an employer of choice
- Financial sustainability and economies of scale

b. Objectives, strategies and activities

The Trust continued to make strong progress against its strategic plans during 2019/20 despite COVID.

- 4 Ofsted inspections completed all were 'Good' which included Baxter College that was sponsored into the Trust in special measure now judged Good
- A significant continued investment in capital projects saw completion of the Science block at SHS and an extension at Wolverley Sebright Primary
- Further development of the Trust's work to bring students together saw us deliver children's day on 3rd Feb that brought all primary students together with a focus on curriculum development
- Trusts central offer was strengthened
- Strengthened links with Far Forest Lea Memorial CE Primary School as an associate member of the Trust.
- Worked with partner Trusts in collaboration and sharing practices
- Developed leadership models across the Trust putting in place executive head models

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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

Strategic report

Achievements and performance

Due to the COVID pandemic a national emphasis on performance tables was removed alongside external testing for students. Within our Primary schools and High schools centre assessed grades were used to benchmark and award the progress young people had made over the year. Internal measures and externally awarded examination grades support the Trust's view that educational performance and achievement of our young people has continued to improve.

As a result of the COVID pandemic many of the Trust's development plans were either slowed or stopped to allow full capacity to be diverted to support the focus on keeping schools open. All our schools remained open from March until the summer break supporting vulnerable students, those of key workers and latterly the phased return of some students in key years. We at all times at least delivered the government's minimum requirements to support the national effort against the virus. The Trust's development of online and remote working for both students and staff accelerated over this time and remains a key priority for us moving forward.

a. Key performance indicators

The Trust is committed to continual improvement which is achieved in a number of ways including improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning.

The Trust is committed to observing the importance of performance indicators to ensure that it continues to strive for both educational and financial excellence.

The key performance indicators that the Trust observes and measures itself against include the following:-

- OFSTED Reports
- Student Achievements
- Student Attainment
- Student Attendance
- Financial performance against budget overall and by school
- Reports from the Responsible Officer
- Benchmarking against similar institutions

The Trust is also monitored through the completion of and submission to the ESFA:

- The Annual Accounts Return
- The submission of the Annual Budget Forecast Return
- The submission of the In Year Budget Forecast Return

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

A further deficit arose in 2019/20 as the Trust worked through the planned restructuring programme in line with the agreed 3 year financial plan. The plan currently predicts a return to a balanced budget at the end of 2021/22 and a carry forward surplus by 2022/23.

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

c. Promoting the success of the company

The well-being and education of pupils is at the centre of all decision making within the Trust at all levels of the organisation.

Trust policies are established and embedded within day to day operations within the Trust to ensure continued high standards of education, staff and business conduct.

Staff well-being and retention is important to the continued success of the Trust and this was enhanced during the COVID pandemic where staff well-being information was shared across the Trust and a focus for all levels of the organisation.

The education sector is a fast changing environment and 2019/20 saw more challenge and change than any other time. The Trust was flexible and quick to respond to the challenges of the COVID pandemic and quickly moved to remote learning for pupils, provision of learning resources and home working to ensure 'business as usual'. Communication was key to the success of the implemented changes and in all areas of the Trust's operations good communication was maintained between staff, parents and pupils.

During the pandemic, schools remained open to vulnerable and the children of key workers ensuring a safe, welcoming and happy environment to continue their learning journey. High Schools within the Trust also donated PPE equipment to local care homes and medical centres when shortages were acute; doing what they could to support their local communities.

Financial review

Restricted General Fund

Most of the Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. General Restricted Fund income for the year was £18,102,646; expenditure against the fund was £19,301,931, increasing the restricted fund cumulative carry forward deficit to £10,133,000 after transfers and actuarial gains. COVID grant income to partially offset increased costs is accounted for in 2019/20 totalling £98,191.

Unrestricted Funds

Income received into the Unrestricted Fund was £824,009. Expenditure against the fund was £1,123,138 for the year giving an Unrestricted Fund deficit of £299,129 for the year. This increased the carry forward deficit to

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

Strategic report (continued)

£423,215 after transfers.

Restricted Fixed Asset (Capital Fund)

The Academy Trust also receives grants for fixed assets from the DfE and Local Government which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

Income received into the fund totalled £1,927,723. The SOFA details a year end surplus in Restricted Fixed Asset funds after transfers of £291,678. This is detailed in note 20 to the accounts.

Summary of Financial Performance

Total fund balance as at 31st August 2020 was £56,807,676 comprised of £(423,215), £(10,133,000) and £67,363,891 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively. The Restricted General Fund comprises of restricted funds totalling £NIL and the Restricted Pension Reserves deficit of £10,133,000.

Balance Sheet

At 31 August 2020 the net book value of fixed assets was £66,067,955 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were predominantly used for providing education and the associated support services to the pupils of the Academy.

Cash in hand at 31st August 2020 was £2,273,342.

a. Reserves policy

The Academy's free reserves as at 31st August 2020 were £(423,215). before taking into account the deficit of the LGPS. During the year, the Trustees regularly reviewed the reserve levels of the Trust and senior management were diligent in their approach to financial management to ensure the financial plan could be adhered to despite the added cost pressures of the COVID pandemic.

The Reserves Policy for the Trust requires a minimum carry forward which equates to 2% of General Annual Grant for the Trust. The Reserves Policy was not adhered to during 2019/20 as the Trust worked through the planned restructuring programme in line with the agreed 3 year financial plan. The plan currently predicts a return to a balanced budget at the end of 2021/22 and adherence to the Reserves Policy by 2022/23.

The Reserves Policy of Severn Academies Educational Trust will be adapted as the Trust grows to facilitate further growth and development. The review will cover the nature and timing of the income and expenditure streams to provide sufficient working capital to cover delays between spending and receipt of grants and to provide cash to deal with unexpected emergencies and support the growth of the Trust. The Trustees have given consideration to the COVID pandemic and have concluded that the reserves policy remains appropriate.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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

b. Investment policy

A return on working capital shall be optimised whilst allowing easy access of the funds. In balancing risk against return, the Academy policy is geared towards avoiding risk rather than to maximise return. The Academies current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest with instant access.

c. Principal risks and uncertainties

The Board of Trustees has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The risks associated with the COVID pandemic were carefully assessed in accordance with advice from the Department for Education, Local Government and other recognised bodies. Risk management procedures were reported to the Board and communicated to schools, Local Governing Bodies, parents and pupils to ensure clear communication of the plans in place to mitigate the risk posed by the virus. There is an ongoing process as the situation continues during 2020/21.

The Board of Trustees has implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, health and safety, behaviour management and in relation to the control of finances. It has introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk.

Adequate insurance has been arranged where significant financial risk remains. The Trust has an effective system of internal financial control as explained in the Statement on Internal Control.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Fundraising

During the financial year 2019/20, the Trust ran the following initiatives to raise additional funds and build connections with the wider business community: -

- Continued development of the new partnership with Worcester Warriors Achieving Academic and Sporting Excellence Programme (AASE)
- Development of corporate and community links to generate income including value-in-kind support and staff expertise

The COVID pandemic severely limited any further fundraising activities during the academic year 2019/20, however this has not impacted negatively on the Trust's finances.

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

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption used to calculate emissions (kWh)	4,675,394
Scope 1 emissions (in metric tonnes of CO2 equivalent):	
Gas consumption	587.382
Oil consumption	20.323
Owned transport - mini-buses	4.615
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Total Scope 1	612.320
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Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	312.933
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Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	9.158
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Total gross emissions (in tonnes of CO2 equivalent):	322.091
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Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.3063
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The Academy Trust has followed and used the following quantification and reporting methodologies:

the 2019 HM Government Environmental Reporting Guidelines;
the GHG Reporting Protocol - Corporate Standard; and
the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Three new teaching blocks (Science, Maths and English) at Stourport High School will improve efficiency.

Both high schools have benefited from new heating boilers and double glazing across the majority of their estates.

3 out of 10 diesel vehicles have been taken out of commission for 2020/21, which will have a positive impact on our carbon footprint.

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

Plans for future periods

Severn Academies Educational Trust strives to continually improve levels of attainment for all students within the Trust, equipping them with the qualifications, skills and character to follow their chosen pathway, whether into further educational and higher education or employment.

The curriculum, quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broad skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Trust strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

Building works at Wolverley Sebright Primary to provide additional classroom and nursery accommodation suffered delays during COVID lockdown, however completion is on track for January 2021 and has been carefully managed to avoid a negative impact on the school and its pupils. During 2020/21 additional building works at Wolverley will be undertaken to make improvements to learning spaces within the older facilities.

As the COVID pandemic continues into 2020/21, the Trust continues to strive for the best outcomes for its students and will adapt plans in line with national restrictions and advice.

Funds held as custodian on behalf of others

Severn Academies Educational Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. In some instances the Trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances are disclosed in note 31.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *14th December 2020* and signed on its behalf by:

W. S. Taylor

W Taylor
Chair of Trustees

SEVERN ACADEMIES EDUCATIONAL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Severn Academies Educational 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO (and 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 Severn Academies Educational Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr R Keal	5	6
T Haywood	6	6
J Holmes	4	6
J Purcell	3	6
W Taylor, Chair of Trustees	5	6
H Yorke	2	6
A Shipway (appointed 14/10/2019)	4	6
C King, Chief Executive Officer	6	6

Governance at all levels undergoes a cycle of evaluation and development to ensure it is effective at all levels. During 2019/20 the Trust continued with annual training via NGA and in house training for Governors and Trustees. During COVID pandemic our training moved to an online forum.

The Finance (Audit & Risk) Committee is a Committee of the main governing body of Severn Academies Educational Trust. Its purpose is to maintain a continuing review of the financial affairs of the Trust. Using this information, it is the Committee's duty to make appropriate recommendations to the Board of Trustees.

The responsibilities of the Finance (Audit & Risk) Committee include: reviewing and providing a recommendation to the board of Directors for the annual budget and the business plan proposed by the Accounting Officer, the monitoring of staff structures and the curriculum costs and to oversee the health and safety and premises development plans. Attendance during the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr R Keal	11	12
T Haywood	11	12
J Purcell	6	12
W Taylor	10	12
C King	10	12

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Robust financial governance and budget management.
- Deploying staff effectively
- Recruitment of SCITT trainees to vacant teaching posts upon successful completion of training
- Staff restructure exercise at The Stourport High School & Vlth Form College
- Development of Severn Academies Educational Trust to achieve future economies of scale
- Outsourcing of in house catering provision to eliminate cost pressures
- Management of resources during COVID pandemic to ensure the continuation of service despite added cost pressures to ensure financial performance stayed within budgeted levels of the 3 year plan.

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 Severn Academies Educational Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- identification and management of risks

During the course of 2019/20, the Board of Trustees appointed a Responsible Officer (Bishop Fleming LLP) to the Trust. A programme of internal audit to further training and ensure continued adherence to the Finance Policy has been agreed by the Board of Trustees through the Finance (Audit & Risk) Committee. This work has been supported by an internal audit exercise by The Olympus Academy Trust covering the Scheme of Delegation.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period by Bishop Fleming LLP were focused around the introduction of cashless processes using the Parent Pay system.

On a semi-annual basis, the Internal Auditor reports to the Board of Trustees through the Finance (Audit & Risk) committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Internal audit work carried out in the period was delivered as planned and no material control issues were identified.

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

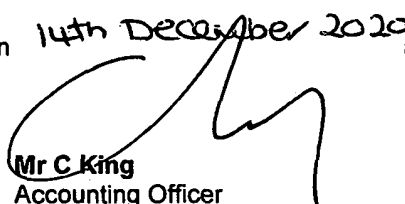
- the work of the external auditor
- the work of the internal auditor and peer review
- the work of the SRMA
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on
their behalf by:

W.S. Taylor.
W Taylor
Chair of Trustees

14th December 2020 and signed on


Mr C King
Accounting Officer

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr C King
Accounting Officer
Date: 9 December 2020

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

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

W Taylor
Chair of Trustees

Date 14 December 2020



SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN ACADEMIES EDUCATIONAL TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN ACADEMIES EDUCATIONAL TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEVERN ACADEMIES EDUCATIONAL TRUST (CONTINUED)**

Responsibilities of trustees

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

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

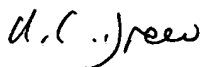
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Drew (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date 14 December 2020

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SEVERN
ACADEMIES EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Severn Academies Educational Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Severn Academies Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Severn Academies Educational Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Trust and specific transactions identified from our review.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SEVERN
ACADEMIES EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

Crowe U.K. LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date 14 December 2020

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Funds inherited on conversion		-	-	-	-	22,432
Other donations and capital grants		31,821	-	1,927,723	1,959,544	3,037,390
Charitable activities	4	545,311	17,428,476	-	17,973,787	17,236,430
SCITT and Training Centre	32	23,720	236,530	-	260,250	379,742
Other trading activities	6	221,376	437,640	-	659,016	830,754
Investments	7	1,781	-	-	1,781	2,064
Total income		824,009	18,102,646	1,927,723	20,854,378	21,508,812
Expenditure on:						
Raising funds		453,090	-	-	453,090	437,369
Charitable activities	9	670,048	19,121,248	1,005,302	20,796,598	20,540,634
SCITT and Training Centre	32	-	180,683	-	180,683	343,850
Total expenditure		1,123,138	19,301,931	1,005,302	21,430,371	21,321,853
Net (expenditure)/income		(299,129)	(1,199,285)	922,421	(575,993)	186,959
Transfers between funds	20	57,458	573,285	(630,743)	-	-
Net movement in funds before other recognised gains/(losses)		(241,671)	(626,000)	291,678	(575,993)	186,959
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	403,000	-	403,000	(2,921,000)
Net movement in funds		(241,671)	(223,000)	291,678	(172,993)	(2,734,041)

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	(181,544)	(9,910,000)	67,072,213	56,980,669	59,714,710
Net movement in funds	(241,671)	(223,000)	291,678	(172,993)	(2,734,041)
Total funds carried forward	(423,215)	(10,133,000)	67,363,891	56,807,676	56,980,669

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

The notes on pages 28 to 63 form part of these financial statements.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07633402

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	66,067,955	66,088,720
Current assets			
Stocks		7,211	8,031
Debtors	17	683,874	989,943
Cash at bank and in hand		2,273,342	2,402,191
		<u>2,964,427</u>	<u>3,400,165</u>
Creditors: amounts falling due within one year	18	(2,040,182)	(2,536,833)
Net current assets		<u>924,245</u>	<u>863,332</u>
Total assets less current liabilities		<u>66,992,200</u>	<u>66,952,052</u>
Creditors: amounts falling due after more than one year	19	(51,524)	(61,383)
Net assets excluding pension liability		<u>66,940,676</u>	<u>66,890,669</u>
Defined benefit pension scheme liability	27	(10,133,000)	(9,910,000)
Total net assets		<u><u>56,807,676</u></u>	<u><u>56,980,669</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	67,363,891	67,072,213
Restricted funds excluding pension asset	20	67,363,891	67,072,213
Pension reserve	20	(10,133,000)	(9,910,000)
Total restricted funds	20	<u>57,230,891</u>	<u>57,162,213</u>
Unrestricted income funds	20	<u>(423,215)</u>	<u>(181,544)</u>
Total funds		<u><u>56,807,676</u></u>	<u><u>56,980,669</u></u>

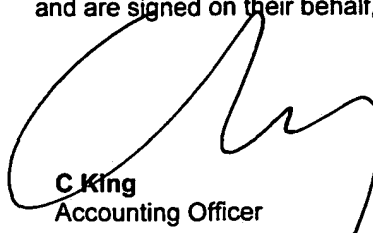
SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07633402

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 23 to 63 were approved by the Trustees, and authorised for issue on
14th December 2020 and are signed on their behalf, by:

W. S. Taylor.

W Taylor
Chair of Trustees



C King
Accounting Officer

The notes on pages 28 to 63 form part of these financial statements.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	22	(1,063,956)	(123,011)
Cash flows from investing activities	24	944,967	(360,928)
Cash flows from financing activities	23	(9,860)	184,793
Change in cash and cash equivalents in the year		(128,849)	(299,146)
Cash and cash equivalents at the beginning of the year		2,402,191	2,701,337
Cash and cash equivalents at the end of the year	25, 26	<u><u>2,273,342</u></u>	<u><u>2,402,191</u></u>

The notes on pages 28 to 63 form part of these financial statements

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Severn Academies Educational Trust meets the definition of a public benefit entity under FRS 102.

The financial statements represent the financial results and financial position of Severn Academies Educational Trust ("the Trust") which comprised of the following member academies at the 31 August 2020:

The Stourport High School and Sixth Form College
Stourport Primary Academy
Baxter College
St Bartholomew's CofE VC Primary School
Hartlebury CofE Primary School
Wilden All Saints CofE Primary School
Wolverley Sebright Primary Academy

1.2 Company Status

The Academy Trust is a company limited by guarantee. The Academy is incorporated in England & Wales, registered number 07633402. The registered office is Severn Academies Educational Trust, Wyre Forest House, Finepoint Way, Kidderminster, Worcestershire, DY11 7WF. The members of the company are named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 member of the Academy Trust.

1.3 Going concern

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

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

Grants

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

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

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

Donations

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

Other income

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

1.5 Expenditure

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

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.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

For assets transferred on conversion, where a professional valuation for land and buildings transferred into the Trust is not readily available, the Trust has determined a reasonable estimate of the current value using Insurance valuations and other information available from other schools within the Trust.

Assets transferred on business combinations are valued at fair value at the date of transfer.

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

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

Depreciation is provided on the following bases:

Freehold property	- over 10-50 years
L/Term Leasehold property	- over the term of the lease
Computer equipment	- over 3 years
Fixtures and fittings	- over 2-10 years
Motor vehicles	- over 10 years

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.

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 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.

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 costs as detailed in notes 18 and 19. 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 instruments.

1.12 Operating leases

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

SEVERN ACADEMIES EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, 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.

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

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1. Accounting policies (continued)

1.15 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Where an academy trust occupies premises on a long lease, in order to determine an appropriate fair value for the asset on acquisition an estimate is made using insurance values and other Local Authority school values on a £/sqm basis together with other factors such as condition of the building. The trust believes this method provides a reasonable and reliable estimate of the current value.

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3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	31,821	-	-	31,821
Capital Grants	-	-	1,927,723	1,927,723
Other donations and capital grants	31,821	-	1,927,723	1,959,544
	31,821	-	1,927,723	1,959,544

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Government grants				
Funds inherited on conversion	22,432	-	-	22,432
Transfers subtotal	22,432	-	-	22,432
Donations	24,200	14,726	-	38,926
Capital Grants	-	-	2,986,451	2,986,451
Grants	-	12,013	-	12,013
Other donations and capital grants	24,200	26,739	2,986,451	3,037,390
	46,632	26,739	2,986,451	3,059,822

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4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Funding for educational operations	-	17,301,810	17,301,810
School trip income	177,073	-	177,073
Other incoming resources	-	126,666	126,666
Catering income	277,944	-	277,944
Out of hours provision	90,294	-	90,294
	<u>545,311</u>	<u>17,428,476</u>	<u>17,973,787</u>
	<u>£</u>	<u>£</u>	<u>£</u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Funding for educational operations	-	16,267,921	16,267,921
School trip income	293,791	-	293,791
Other incoming resources	-	109,726	109,726
Catering income	444,614	-	444,614
Out of hours provision	120,378	-	120,378
	<u>858,783</u>	<u>16,377,647</u>	<u>17,236,430</u>
	<u>£</u>	<u>£</u>	<u>£</u>

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5. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	14,500,510	14,500,510
Other DfE/EFA Grants	2,212,702	2,212,702
	<u>16,713,212</u>	<u>16,713,212</u>
Other government grants		
Local Authority Grants	206,769	206,769
Special Educational Projects	283,638	283,638
	<u>490,407</u>	<u>490,407</u>
Exceptional government funding		
Coronavirus Exceptional Support	98,191	98,191
	<u>17,301,810</u>	<u>17,301,810</u>

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

The funding received for coronavirus exceptional support covers £98k of costs the Academy Trust bore upto July 2020 as a result of the virus. This predominantly related to the provision of online learning and enhanced hygiene solutions costs in line with government guidance for the opening and operation of schools during the pandemic.

During the year no staff were furloughed under the government's CJRS.

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5. Funding for the Academy Trust's educational operations (continued)

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants		
General Annual Grant (GAG)	14,363,831	14,363,831
Other DfE/EFA Grants	1,412,133	1,412,133
	<u>15,775,964</u>	<u>15,775,964</u>
Other government grants		
Local Authority Grants	266,073	266,073
Special Educational Projects	225,884	225,884
	<u>491,957</u>	<u>491,957</u>
	<u>16,267,921</u>	<u>16,267,921</u>

6. Income from other trading activities

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Hire of facilities	95,946	-	95,946
Staff consultancy	77,614	-	77,614
Uniform sales	3,466	-	3,466
Sale of goods and services	11,103	-	11,103
Music services income	13,377	-	13,377
Nursery income	19,870	437,640	457,510
	<u>221,376</u>	<u>437,640</u>	<u>659,016</u>

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NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	161,750	-	161,750
Staff consultancy	85,544	-	85,544
Other income	36,735	-	36,735
Uniform sales	9,831	-	9,831
Sale of goods and services	17,117	-	17,117
Music services income	29,131	-	29,131
Nursery income	40,329	450,317	490,646
	<u>380,437</u>	<u>450,317</u>	<u>830,754</u>

7. Investment income

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	<u>1,781</u>	<u>1,781</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income	<u>2,064</u>	<u>2,064</u>

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8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Support costs	422,019	-	31,071	453,090
Funding for educational operations:				
Direct costs	13,473,531	1,005,302	1,006,930	15,485,763
Support costs	2,537,189	1,186,553	696,179	4,419,921
Other charitable activities:				
Direct costs	-	-	174,575	174,575
Support costs	333,087	-	383,252	716,339
SCITT and Training Centre	105,045	-	75,638	180,683
	16,870,871	2,191,855	2,367,645	21,430,371
	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on fundraising trading activities:				
Support costs	404,031	-	33,338	437,369
Funding for educational operations:				
Direct costs	12,603,904	1,003,276	1,144,009	14,751,189
Support costs	2,815,287	1,157,592	708,864	4,681,743
Other charitable activities:				
Direct costs	-	-	277,734	277,734
Support costs	321,958	-	508,010	829,968
SCITT and Training Centre	210,138	-	133,712	343,850
	16,355,318	2,160,868	2,805,667	21,321,853

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9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Funding for educational operations	-	19,905,684	19,905,684
Other charitable activities	670,048	220,866	890,914
	<u>670,048</u>	<u>20,126,550</u>	<u>20,796,598</u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Funding for educational operations	-	19,432,932	19,432,932
Other charitable activities	832,969	274,733	1,107,702
	<u>832,969</u>	<u>19,707,665</u>	<u>20,540,634</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Funding for educational operations	15,485,763	4,419,921	19,905,684
Other charitable activities	174,575	716,339	890,914
	<u>15,660,338</u>	<u>5,136,260</u>	<u>20,796,598</u>

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10. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Funding for educational operations	14,751,189	4,681,743	19,432,932
Other charitable activities	277,734	829,968	1,107,702
	<u>15,028,923</u>	<u>5,511,711</u>	<u>20,540,634</u>

Analysis of support costs

	<i>Funding for educational operations 2020 £</i>	<i>Other charitable activities 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	2,537,189	333,087	2,870,276
Technology costs	254,151	-	254,151
Legal costs	36,741	-	36,741
Premises costs	1,186,553	-	1,186,553
Other support costs	380,387	383,252	763,639
Governance costs	24,900	-	24,900
	<u>4,419,921</u>	<u>716,339</u>	<u>5,136,260</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs include costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Funding for educational operations 2019</i>	<i>Other charitable activities 2019</i>	<i>Total funds 2019</i>
	£	£	£
Staff costs	2,815,287	321,958	3,137,245
Technology costs	188,706	-	188,706
Legal costs	22,338	-	22,338
Premises costs	1,157,412	-	1,157,412
Other support costs	467,600	508,010	975,610
Governance costs	30,400	-	30,400
	<u>4,681,743</u>	<u>829,968</u>	<u>5,511,711</u>

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020	2019
	£	£
Operating lease rentals	152,797	65,933
Depreciation of tangible fixed assets	1,005,302	1,003,276
Fees paid to auditor for:		
- audit	21,800	21,200
- other services	2,900	2,825

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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	12,065,286	12,128,321
Social security costs	1,183,938	1,171,471
Pension costs	3,378,761	2,747,572
	<u>16,627,985</u>	<u>16,047,364</u>
Agency staff costs	125,000	202,227
Staff restructuring costs	117,886	105,727
	<u><u>16,870,871</u></u>	<u><u>16,355,318</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	117,886	105,727
	<u><u>117,886</u></u>	<u><u>105,727</u></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £117,886 (2019: £105,727). Individually, the payments were: £8,098, £35,760, £26,367, £10,603, £2,865, £12,242, £7,455, £13,700 and £796.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	196	214
Admin and support	232	259
Management	32	29
	<u><u>460</u></u>	<u><u>502</u></u>

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12. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	5	9
In the band £70,001 - £80,000	3	4
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	1
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £632,156 (2019 £719,898).

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NOTES TO THE FINANCIAL STATEMENTS
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13. Central services

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

Management services
Legal services
Education support services
Maintenance and admin support services
Payroll services

The Academy Trust charges for these services on the following basis:

The Trust charges for these services on a percentage basis applied to the income received by each constituent academy. Any surplus generated is held as a contingency reserve for use in future periods.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
The Stourport High School and Sixth Form College	291,260	279,589
Stourport Primary Academy	60,856	57,228
Baxter College	222,804	225,267
St Bartholomew's CofE VC Primary School	52,177	51,376
Hartlebury CofE Primary School	34,228	33,920
Wilden All Saints CofE Primary Academy	36,964	37,430
Wolverley Sebright VA Primary School	30,868	29,297
Total	729,157	714,107

14. Trustees' remuneration and expenses

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

		2020 £	2019 £
C King, Chief Executive Officer	Remuneration	150,000 - 155,000	140,000 - 145,000
	Pension contributions paid	35,000 - 40,000	20,000 - 25,000

During the year ended 31 August 2020, travel expenses totalling £1,285 were reimbursed to 1 Trustee (2019 - £1,977).

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NOTES TO THE FINANCIAL STATEMENTS
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15. Trustees' and Officers' insurance

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

16. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles & Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2019	40,267,574	27,259,094	434,295	353,657	1,515,518	69,830,138
Additions	-	198,338	30,018	12,523	743,658	984,537
Transfers between classes	2,194,319	-	8,014	26,400	(2,228,733)	-
At 31 August 2020	42,461,893	27,457,432	472,327	392,580	30,443	70,814,675
Depreciation						
At 1 September 2019	2,560,028	522,459	372,267	286,664	-	3,741,418
Charge for the year	632,014	225,316	51,548	96,424	-	1,005,302
At 31 August 2020	3,192,042	747,775	423,815	383,088	-	4,746,720
Net book value						
At 31 August 2020	39,269,851	26,709,657	48,512	9,492	30,443	66,067,955
At 31 August 2019	37,707,546	26,736,635	62,028	66,993	1,515,518	66,088,720

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17. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	49,727	146,432
VAT repayable	43,013	263,150
Prepayments and accrued income	591,134	580,361
	<u>683,874</u>	<u>989,943</u>

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	179,860	179,861
Trade creditors	508,657	1,076,395
Other taxation and social security	279,320	284,169
Other creditors	499,229	355,048
Accruals and deferred income	573,116	641,360
	<u>2,040,182</u>	<u>2,536,833</u>

	2020 £	2019 £
Deferred income at 1 September 2019	217,424	187,863
Resources deferred during the year	174,623	217,424
Amounts released from previous periods	(217,424)	(187,863)
	<u>174,623</u>	<u>217,424</u>

At 31 August 2020, the Academy Trust was in receipt of ESFA revenue and trip income which relate to the 2019/20 academic year.

During 2019, the Trust had received recoverable funding of £170,000 from the ESFA. The loan was at 0% interest and it was fully repaid in September 2020.

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19. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Other loans	51,524	61,383

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020	2019
	£	£
Repayable by instalments	16,526	26,387
	16,526	26,387

During 2017, Stourport High School received a £35,550 Salix loan from the ESFA as part of funding for capital works. The loan is at 0% interest and will be repaid over an 8 year period in £2,222 instalments every 6 months from 1 March 2019.

During 2018, Baxter College received a £43,333 Salix loan from the ESFA as part of funding for capital works. The loan is at 0% interest and will be repaid over an 8 year period in £2,708 instalments every 6 months from 1 September 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	(285,009)	800,289	(995,217)	(78,697)	-	(558,634)
Training Centre	103,465	23,720	(127,921)	136,155	-	135,419
	<u>(181,544)</u>	<u>824,009</u>	<u>(1,123,138)</u>	<u>57,458</u>	<u>-</u>	<u>(423,215)</u>
Restricted general funds						
General Annual Grant (GAG)	-	14,500,510	(15,257,563)	757,053	-	-
Other DfE/EFA Grants	-	2,212,702	(2,212,702)	-	-	-
SCITT	-	236,530	(52,762)	(183,768)	-	-
Local Authority Grants	-	206,769	(206,769)	-	-	-
Special Educational Projects	-	283,638	(283,638)	-	-	-
Coronavirus Exceptional Support	-	98,191	(98,191)	-	-	-
Other income	-	564,306	(564,306)	-	-	-
Pension reserve	(9,910,000)	-	(626,000)	-	403,000	(10,133,000)
	<u>(9,910,000)</u>	<u>18,102,646</u>	<u>(19,301,931)</u>	<u>573,285</u>	<u>403,000</u>	<u>(10,133,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Restricted Fixed Asset Funds	66,088,720	-	(1,005,302)	984,537	-	66,067,955
Devolved formula capital	81,081	74,816	-	(106,940)	-	48,957
Science Classrooms	-	699,916	-	(699,916)	-	-
MATS SCA	894,090	1,130,795	-	(777,906)	-	1,246,979
Other capital funding	8,322	22,196	-	(30,518)	-	-
	<u>67,072,213</u>	<u>1,927,723</u>	<u>(1,005,302)</u>	<u>(630,743)</u>	<u>-</u>	<u>67,363,891</u>
Total Restricted funds	<u>57,162,213</u>	<u>20,030,369</u>	<u>(20,307,233)</u>	<u>(57,458)</u>	<u>403,000</u>	<u>57,230,891</u>
Total funds	<u>56,980,669</u>	<u>20,854,378</u>	<u>(21,430,371)</u>	<u>-</u>	<u>403,000</u>	<u>56,807,676</u>

The academy trust is carrying a net deficit of £423,215 on restricted general funds (excluding pension reserve) plus unrestricted funds largely due to exceptional costs incurred during 2019/20 connected to staff restructuring. An action plan to return the Trust to a balanced budget and eventual surplus position is in progress and the Trust is working with the support of the ESFA.

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

The General Annual Grant and Other grants relate to government funding for the provision of education by the Academy.

The SCITT and Training Centre funds enabled a programme to be rolled out in collaboration with other schools to share best practice, provide school to school support and develop Specialist Leaders of Education.

Transfers between the restricted fund and the restricted fixed asset fund relate to assets purchased out of the General Annual Grant and capital funding where the related cost has been expensed.

Transfers between the general fund and the restricted fund relate to expenditure on educational operations in excess of funding received.

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

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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
The Stourport High School and Sixth Form College	(1,083,640)	(801,967)
Stourport Primary Academy	101,764	69,976
Baxter College	49,162	77,558
St Bartholomew's CofE VC Primary School	279,248	257,809
Hartlebury CofE Primary School	65,718	49,708
Wilden All Saints CofE Primary Academy	160,629	206,837
Wolverley Sebright VA Primary School	(48,021)	(48,365)
Severn Academies Educational Trust	51,925	6,900
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	(423,215)	(181,544)
Restricted fixed asset fund	67,363,891	67,072,213
Pension reserve	(10,133,000)	(9,910,000)
	<hr/>	<hr/>
Total	56,807,676	56,980,669
	<hr/>	<hr/>

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

	Deficit £
The Stourport High School and Sixth Form College	1,083,640
Wolverley Sebright VA Primary School	48,021
	<hr/>

During 2019/20 The Stourport High School & Sixth Form College continued to work through a curriculum and cost review programme and made further savings through a staff restructure. The impact of this activity will be seen from 2020/21 when the academy is predicted to deliver an in year surplus..

2019/20 saw Wolverley Sebright Primary School move from an in year deficit in 2018/19 of £48K, to an in year balanced budget through a number of cost saving initiatives and collaborative working with another school in the capacity as an associate member of the Trust. During 2020/21 the school will benefit from capital investment to provide additional classroom facilities and enhance the learning space provision within the existing school. Wolverley Sebright Primary School is a popular and successful school and a combination of growth and continued good financial management is predicted to clear the deficit by the end of the academic year 2021/22.

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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
The Stourport High School and Sixth Form College	5,275,723	823,788	195,695	914,564	7,209,770
Stourport Primary Academy	1,115,504	377,801	12,192	213,868	1,719,365
Baxter College	3,757,892	743,131	126,355	677,039	5,304,417
St Bartholomew's CofE VC Primary School	932,720	456,946	13,215	238,551	1,641,432
Hartlebury CofE Primary School	646,318	168,599	12,067	132,578	959,562
Wilden All Saints CofE Primary Academy	610,701	244,542	13,223	108,327	976,793
Wolverley Sebright VA Primary School	626,083	90,105	4,346	68,055	788,589
Severn Academies Educational Trust	613,635	387,383	79,910	744,213	1,825,141
Academy Trust	13,578,576	3,292,295	457,003	3,097,195	20,425,069

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2019</i> £
The Stourport High School and Sixth Form College	5,012,513	1,215,421	174,315	963,684	7,365,933
Stourport Primary Academy	1,102,684	356,085	26,029	244,998	1,729,796
Baxter College	3,396,217	858,735	189,987	889,681	5,334,620
St Bartholomew's CofE VC Primary School	954,709	451,242	12,808	311,167	1,729,926
Hartlebury CofE Primary School	545,153	161,872	11,608	154,079	872,712
Wilden All Saints CofE Primary Academy	549,930	263,961	25,873	117,460	957,224
Wolverley Sebright VA Primary School	588,789	75,839	15,844	96,694	777,166
Severn Academies Educational Trust	664,047	158,121	85,124	643,908	1,551,200
Academy Trust	12,814,042	3,541,276	541,588	3,421,671	20,318,577

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	72,830	1,287,916	(1,198,646)	(447,109)	-	(285,009)
Training Centre	-	57,692	(71,692)	117,465	-	103,465
	<u>72,830</u>	<u>1,345,608</u>	<u>(1,270,338)</u>	<u>(329,644)</u>	<u>-</u>	<u>(181,544)</u>
Restricted general funds						
General Annual Grant (GAG)	-	14,363,831	(15,577,209)	1,213,378	-	-
Other DfE/EFA Grants	-	1,412,133	(1,412,133)	-	-	-
Teaching school	102,300	46,000	(188,406)	40,106	-	-
SCITT	23,314	276,050	(83,752)	(215,612)	-	-
Local Authority Grants	-	266,073	(266,073)	-	-	-
Special Educational Projects	-	225,884	(225,884)	-	-	-
Other income	-	586,782	(586,782)	-	-	-
Pension reserve	(6,281,000)	-	(708,000)	-	(2,921,000)	(9,910,000)
	<u>(6,155,386)</u>	<u>17,176,753</u>	<u>(19,048,239)</u>	<u>1,037,872</u>	<u>(2,921,000)</u>	<u>(9,910,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	63,745,148	-	(1,003,276)	3,346,848	-	66,088,720
Devolved formula capital	-	235,850	-	(154,769)	-	81,081
Windows & Roofing	66,073	-	-	(66,073)	-	-
Science Classrooms	-	1,501,326	-	(1,501,326)	-	-

SEVERN ACADEMIES EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Sixth form building	187,938	-	-	(187,938)	-	-
New classrooms	1,140,545	-	-	(1,140,545)	-	-
MATS SCA	612,341	772,180	-	(490,431)	-	894,090
Healthy Pupil Capital fund	45,221	-	-	(45,221)	-	-
Basic Needs Classrooms	-	378,399	-	(378,399)	-	-
S106 School Expansion	-	72,971	-	(72,971)	-	-
Other capital funding	-	25,725	-	(17,403)	-	8,322
	<u>65,797,266</u>	<u>2,986,451</u>	<u>(1,003,276)</u>	<u>(708,228)</u>	<u>-</u>	<u>67,072,213</u>
Total Restricted funds	<u>59,641,880</u>	<u>20,163,204</u>	<u>(20,051,515)</u>	<u>329,644</u>	<u>(2,921,000)</u>	<u>57,162,213</u>
Total funds	<u>59,714,710</u>	<u>21,508,812</u>	<u>(21,321,853)</u>	<u>-</u>	<u>(2,921,000)</u>	<u>56,980,669</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	66,067,955	66,067,955
Current assets	1,668,491	-	1,295,936	2,964,427
Creditors due within one year	(2,040,182)	-	-	(2,040,182)
Creditors due in more than one year	(51,524)	-	-	(51,524)
Provisions for liabilities and charges	-	(10,133,000)	-	(10,133,000)
Total	<u>(423,215)</u>	<u>(10,133,000)</u>	<u>67,363,891</u>	<u>56,807,676</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	66,088,720	66,088,720
Current assets	-	2,416,672	983,493	3,400,165
Creditors due within one year	(181,544)	(2,355,289)	-	(2,536,833)
Creditors due in more than one year	-	(61,383)	-	(61,383)
Provisions for liabilities and charges	-	(9,910,000)	-	(9,910,000)
Total	(181,544)	(9,910,000)	67,072,213	56,980,669

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(575,993)	186,959
Adjustments for:		
Depreciation	1,005,302	1,003,276
Capital grants from DfE and other capital income	(1,927,723)	(2,986,451)
Interest receivable	(1,781)	(2,064)
Defined benefit pension scheme cost less contributions payable	454,000	539,000
Defined benefit pension scheme finance cost	172,000	169,000
Decrease in stocks	820	3,404
Decrease in debtors	306,069	1,114,448
Decrease in creditors	(496,650)	(130,746)
Loss on the sale of fixed assets	-	2,595
Surplus funds transferred from existing academies	-	(22,432)
Net cash used in operating activities	(1,063,956)	(123,011)

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23. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	-	170,000
Cash transferred from schools on conversion	-	22,432
Repayment of borrowings	(9,860)	(7,639)
Net cash (used in)/provided by financing activities	(9,860)	184,793

24. Cash flows from investing activities

	2020 £	2019 £
Interest received	1,781	2,064
Purchase of intangible assets	(984,537)	(3,349,443)
Capital grants from DfE Group	1,927,723	2,986,451
Net cash provided by/(used in) investing activities	944,967	(360,928)

25. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,273,342	2,402,191
Total cash and cash equivalents	2,273,342	2,402,191

26. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	2,402,191	(128,849)	-	2,273,342
Debt due within 1 year	(179,861)	9,860	(9,859)	(179,860)
Debt due after 1 year	(61,383)	-	9,859	(51,524)
	2,160,947	(118,989)	-	2,041,958

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27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £288,357 were payable to the schemes at 31 August 2020 (2019 - £238,001) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £2,048,670 (2019 - £1,422,003).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £636,924 (2019 - £787,000), of which employer's contributions totalled £461,772 (2019 - £611,000) and employees' contributions totalled £ 175,152 (2019 - £176,000). The agreed contribution rates for future years are 17.3 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.80	3.50
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	1.80	1.80
Inflation assumption (CPI)	2.30	2.00

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.60	22.80
Females	25.00	25.80
<i>Retiring in 20 years</i>		
Males	24.20	25.10
Females	27.00	28.20

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	9,729,000	9,537,000
Discount rate -0.1%	10,546,000	10,292,000
Mortality assumption - 1 year increase	10,634,000	10,188,000
Mortality assumption - 1 year decrease	9,646,000	9,637,000
CPI rate +0.1%	10,545,000	10,291,000
CPI rate -0.1%	9,730,000	9,538,000

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	4,981,000	3,891,000
Government bonds	507,000	412,000
Corporate bonds	401,000	274,000
Property	408,000	329,000
Cash and other liquid assets	318,000	159,000
Other	945,000	423,000
Total market value of assets	7,560,000	5,488,000

The actual return on scheme assets was £96,000 (2019 - £214,000).

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

	2020 £	2019 £
Current service cost	1,159,000	897,000
Past service cost	9,000	241,000
Net interest on defined liability	172,000	169,000
Administrative expenses	12,000	12,000
Total amount recognised in the Statement of Financial Activities	1,352,000	1,319,000

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	15,398,000	10,847,000
Interest cost	280,000	307,000
Employee contributions	175,000	176,000
Actuarial losses	541,000	2,998,000
Benefits paid	131,000	(68,000)
Current service cost	1,159,000	897,000
Past service costs	9,000	241,000
At 31 August	17,693,000	15,398,000

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

	2020 £	2019 £
At 1 September	5,488,000	4,566,000
Interest income	108,000	138,000
Actuarial gains	944,000	77,000
Employer contributions	726,000	611,000
Employee contributions	175,000	176,000
Benefits paid	131,000	(68,000)
Administration expenses	(12,000)	(12,000)
At 31 August	7,560,000	5,488,000

28. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	89,724	58,761
Later than 1 year and not later than 5 years	161,613	68,992
	251,337	127,753

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NOTES TO THE FINANCIAL STATEMENTS
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29. 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.

30. Related party transactions

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

Other than Trustees' remuneration there are no further related party transactions entered into during the year.

31. Agency arrangements

The Academy Trust distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £28,605 (2019 - £28,694) and disbursed £28,945 (2019 - £29,548) from the fund. An amount of £4,324 (2019 - £4,665) is included in other creditors relating to undistributed funds.

The Academy Trust distributed PGCE training bursaries to students as an agent for the NCTL. In the accounting period ending 31 August 2020 the Academy received £219,109 (2019 - £338,800) and disbursed £205,509 (2019 - £356,800) from the fund. An amount of £2,600 (2019 - £11,000) is included in other creditors relating to undistributed funds.

The Wyre Forest Schools Sports Partnership is funded by contributions from other schools within the Wyre Forest Area and the Youth Sport Trust. Its objective is to provide opportunities to school children outside of the usual PE provision within schools and encourage life skills. In the accounting period ending 31 August 2020 the Academy received £153,558 (2019 - £140,263) and disbursed £154,733 (2019 - £117,074) from the fund. An amount of £96,398 (2019 - £97,573) is included in other creditors relating to amounts received from schools to be spent on the provision of the funds objective.

ContinU Trust act as a body to bring together schools within the Wyre Forest area. The arrangement aims to benefit all the schools by sharing resources (including teachers) amongst all the schools for the benefit of each other. In the accounting period ending 31 August 2020 the Academy received £190,148 (2019 - £107,406) and disbursed £127,062 (2019 - £107,406). An amount of £63,087 (2019 - £NIL) is included in other creditors relating to amounts received from ContinU Trust that will be utilised in September 2020 to meet the costs of the cessation of the ContinU Trust.

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

32. SCITT and Training Centre trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Training Centre income	23,720		103,692	
SCITT income	236,530		276,050	
Total income		260,250		379,742
Expenditure				
Direct expenditure				
Direct staff costs	105,045		210,138	
Other costs	75,638		133,712	
Total direct expenditure	180,683		343,850	
Total expenditure		180,683		343,850
Transfers between funds excluding depreciation		(47,613)		(58,041)
Surplus/(deficit) from all sources		31,954		(22,149)
SCITT & Training Centre balances at 1 September 2019		103,465		125,614
SCITT & Training Centre balances at 31 August 2020		135,419		103,465