



# **Abbey Multi Academy Trust**

**Registered number: 07705552**

**Trustees' Report and Financial  
Statements for the year ended  
31 August 2020**



# Abbey Multi Academy Trust

## Contents

Reference and Administrative Details	3
Trustees' Report	5
Governance Statement	22
Statement of Regularity, Propriety and Compliance	26
Statement of Trustees' Responsibilities	27
Independent Auditors' Report on the Financial Statements	28
Independent Reporting Accountant's Assurance Report on Regularity	31
Statement of Financial Activities (Incorporating Income and Expenditure Account)	33
Balance Sheet	34
Statement of Cash Flows	35
Notes to the Financial Statements	36

# Abbey Multi Academy Trust

## Reference and Administrative Details

### Members

P Whitman  
R Noake  
A Nicholl  
The Rt Revd P Slater

### Academy Trustees

P Whitman  
T Mason  
P Laurence  
S Simkins  
F Baker  
Rev J Smith (resigned 19<sup>th</sup> January 2020)  
C R Blair  
G Price  
W Shaw (resigned 2<sup>nd</sup> April 2020)  
W Rachmann (appointed 23<sup>rd</sup> March 2020)  
K Morawiecka-Watkins (appointed 22<sup>nd</sup> July 2020)  
H Pratten (Acting Co-CEO and Accounting Officer  
- from 1<sup>st</sup> January 2019; appointed Co-CEO and  
Accounting Officer from 6<sup>th</sup> December 2019)  
C Garrett (Acting Co-CEO - from 1<sup>st</sup> January 2019;  
appointed Co-CEO from 6<sup>th</sup> December 2019)

### Company Secretary

K Weatherill

### Senior Management Team

Acting Co-CEO/Executive Principal (Primary)  
Co-CEO/Executive Principal (Primary)  
Acting Co-CEO/Director of Education  
Co-CEO/Director of Education  
Principal – Abbey Grange C of E Academy  
Executive Principal (Secondary)  
Head of School – St Chad's C of E Primary  
Academy  
Principal – Lightcliffe Academy  
Head of School – Lightcliffe Academy  
Principal – Bishop Young C of E Academy  
Interim Executive Principal  
Head of School – Bishop Young C of E Academy  
Headteacher – Manston St James Primary Academy  
Principal – Holy Trinity C of E Primary Academy  
  
Principal – Lightcliffe C of E Primary School  
Interim Co-Heads of School – Lightcliffe C of E  
Primary School  
Head of School – Lightcliffe C of E Primary School  
Head of School – Christ Church Upper Armley CE  
Primary School  
Director of Finance and Corporate Services  
Interim Chief Financial Officer  
  
Director of Finance

H Pratten (from 1<sup>st</sup> January 2019)  
H Pratten (from 6<sup>th</sup> December 2019)  
C Garrett (from 1<sup>st</sup> January 2019)  
C Garrett (from 6<sup>th</sup> December 2019)  
J Norden  
J Norden (to 1<sup>st</sup> November 2019)  
A McHale (from 1<sup>st</sup> September 2019)  
  
J Nellis (to 31<sup>st</sup> August 2020)  
R Wood-Ives (from 1<sup>st</sup> September 2020)  
P Cooper (to 31<sup>st</sup> August 2020)  
P Cooper (from 20<sup>th</sup> April 2020)  
R Cole (from 1<sup>st</sup> September 2020)  
A Dunn  
D Foulke (to 31<sup>st</sup> August 2020)  
G Marsland (from 1<sup>st</sup> September 2020)  
C Woodbridge (to 30<sup>th</sup> April 2020)  
K Dunkley (from 1<sup>st</sup> May to 31<sup>st</sup> August 2020)  
A Hustler (from 1<sup>st</sup> May to 31<sup>st</sup> August 2020)  
G Hilton (from 1<sup>st</sup> September 2020)  
S Collier (from 1<sup>st</sup> September 2019)  
  
I Harmer (to 31<sup>st</sup> January 2020)  
Y Watterson-Hopkins (from 1<sup>st</sup> February to  
31<sup>st</sup> August 2020)  
Y Watterson-Hopkins (from 1<sup>st</sup> September 2020)

# Abbey Multi Academy Trust

## Reference and Administrative Details (continued)

<b>Company Name</b>	Abbey Multi Academy Trust
<b>Principal and Registered Office</b>	c/o Chapter House Abbey Grange Academy Butcher Hill Leeds LS16 5EA
<b>Company Registration Number</b>	07705552 (England and Wales)
<b>External Auditor</b>	Mazars LLP 5 <sup>th</sup> Floor 3 Wellington Place Leeds LS1 4AP
<b>Internal Auditor</b>	RSM Risk Assurance Services LLP Fifth Floor, Central Square 29 Wellington Street Leeds LS1 4DL
<b>Bankers</b>	Lloyds Bank plc 65-68 Briggate Leeds LS1 6LH
<b>Solicitors</b>	Browne Jacobson LLP 14 <sup>th</sup> Floor No. 1 Spinningfields Hardman Square Manchester M3 3EB

# **Abbey Multi Academy Trust**

## **Trustees' Report**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 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.

In September 2019, the Trust operated 5 primary and 3 secondary academies in West Yorkshire. Its academies at 1 October 2020 have a combined pupil census of 4,883.

### **Structure, Governance and Management**

#### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Abbey Multi Academy Trust (the Trust) are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Abbey Multi Academy Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

#### **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 £10.00 for the debts and liabilities contracted before they ceased to be a member.

#### **Trustees' Indemnities**

The Trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on Trust business; further details are provided in note 11.

#### **Method of Recruitment and Appointment or Election of Trustees**

The Articles of Association require the appointment of at least five Trustees.

The Trust Board is comprised of two Co-Chief Executive Officers and other Trustees from a range of professional and faith backgrounds. They are appointed by Members according to their skillset, experience and ability to contribute to the strategic leadership of the Trust.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Structure, Governance and Management (continued)**

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Bespoke training and induction are provided for new Governors and Trustees depending on their previous experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Governors and Trustees are given a tour of the Trust site and the chance to meet with staff and students. They are provided with access to policies, procedures, minutes, accounts, budgets, strategic and development plans, in addition to other documents that they need to undertake their role. Governors and Trustees are provided with training and are encouraged to access external training on appropriate matters.

#### **Organisational Structure**

The Trustees are responsible for setting the strategic direction of the Trust. They review and agree the Company's policies and procedures and are responsible for the major decisions of the Trust.

The Trustees meet at least six times in each financial year.

The Trustees have delegated a number of their functions to the Board of Governors (Local Governing Bodies) of Abbey Grange Church of England Academy, St Chad's Church of England Primary School, Lightcliffe Academy, Manston St James Primary Academy, Holy Trinity Church of England Primary Academy and Lightcliffe Church of England Primary School. However, Bishop Young Church of England Academy and Christ Church Upper Armley Church of England Primary Academy do not have these delegated functions as they operate with an Advisory Board, rather than a formal Governing Body.

#### **Arrangements for setting pay and remuneration of key management personnel**

Following a selection and recruitment process in December 2019, Trustees appointed Co-CEOs to lead the organisation. The Trust commissioned an independent consultant to provide a benchmark against MATs of a similar size and context when setting the pay scale for the Co-CEOs. Trustees were presented with a range of options and agreed a range to reflect the responsibilities of each post holder. Each post holder retains an element of their substantive position alongside their Co-CEO role and this was taken into account in the recommendations given by the independent consultant.

Performance management of the Trust Co-CEOs was conducted by the Chair of the Trust Board and supported by the Trustees at regular intervals during the course of the year. An external advisor was also appointed to support the performance management process of the Co-CEOs.

The appraisal process for Senior Leaders and Central Executive Team is aligned to that for all other members of the Trust in that a performance review meeting is held at which objectives are reviewed against a range of evidence. Recommendations are then made by the CEO to the Trust's Pay Committee which reviews anonymised documentation to ensure that pay progression is consistent and equitable.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Structure, Governance and Management (continued)

#### Trade union facility time

##### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
9	7.9

##### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	9
51-99%	0
100%	0

##### Percentage of pay bill spent on facility time

The total cost of facility time	£22,733.44
The total pay bill	£23,105,336
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.09%

##### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	9%
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#### Related Parties and other Connected Charities and Organisations

There are no connected organisations. Related party transactions are disclosed in note 28 which are the Diocese of Leeds and Leeds Faith in Schools.

#### Engagement with Stakeholders

The Abbey MAT Trust Board considers it crucial that the Trust maintains a reputation for high standards. The Board is responsible for setting, monitoring and upholding the culture, values, standards and reputation of the organisation to ensure that our obligations to our employees, students, parents and wider stakeholders are met. Management drives the embedding of the desired culture throughout the organisation. The Trust Board monitors adherence to policies and compliance with all statutory guidance and is committed to ensuring effective action is taken when any of our academies fall short of the expectations required.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Structure, Governance and Management (continued)**

Abbey MAT Board's vision is to develop a high performing Multi Academy Trust that delivers the best educational experience for pupils from 3 - 19. The Trust's Five-Year Strategic Plan launched in October 2019 sets out how we will grow, develop, support and improve our academies across the wide and diverse geographical area of the Leeds Diocese, with a clear focus on raising standards, encouraging innovation and strengthening the ethos of the organisation to ensure that we have a positive impact on all the young people within the Trust.

Our Trust vision – to work in partnership, to educate, nurture and empower - has been shaped through the identification of a number of key thoughts and assumptions that build a framework within which Abbey MAT operates. As a Diocesan Multi Academy Trust we are committed to working within a caring and Christian ethos.

Our vision is that the academies, supported through Abbey MAT, will provide an environment which is welcoming, caring, calm, disciplined, and purposeful and which will stretch our young people academically, support them pastorally and help them develop socially and spiritually.

We are committed to raising the skills base across the communities by ensuring a focus on quality, encouraging innovation through research and strengthening the ethos of the academies as distinctive schools within their respective communities. Our framework strives to maintain academies which retain their own independent culture and ethos, whilst operating within a strategic partnership to improve quality, share best practice and operate effectively and efficiently. As a successful Multi Academy Trust we work in partnership to bring about an environment and culture where, through school to school support, each academy will flourish and be involved in shaping the partnership.

#### **Engagement with Employees**

The Trust's Five-Year Strategic Plan was launched in October 2019 and to ensure all employees were aware of the organisations aims and objectives, the plan was shared with all members of staff. Additionally, the strategic objectives were woven into academy development plans and employee appraisal objectives to demonstrate the interconnectivity that exists across the organisation.

Additionally, the Trust Key Performance Indicators include metrics relating to recruitment, employee value proposition, talent and succession management, health and wellbeing and staff absence rates. Annual evaluation against the KPI's allows year-on-year comparisons to be made and the Trust's performance to be articulated to employees.

During the year the Trust either introduced or continued with the following areas as a focus of employee engagement:

- The Trust also engages with employees through the annual Trust Conference which provides an opportunity for staff development, networking, feedback and celebration.
- During 2019/20 the Trust has consulted on a number of key policies during and as part of this process, employee feedback was sought. Alongside the policy consultation employees are sent a link to a survey which allows equality and workload impacts to be undertaken; this process was introduced towards the latter part of the 2019/20 financial year.



# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Structure, Governance and Management (continued)**

#### **Engagement with Employees (continued)**

- The Trust has a well-developed Joint Collaborative Committee (JCC) through which it engages with Trade Union colleagues to discuss and understand matters concerning employees e.g. policy consultation.
- The Trust ensures that feedback is sought from employees and annual staff surveys are distributed and the outcomes feed into the Trust and academy development plans.
- The Trust ensures that all recruitment is conducted in line with the Equality Act 2010. Reasonable adjustments/and or supportive measures will be considered where a known disability exists to allow equality of access and opportunity. In addition, all applicants who consider themselves disabled and who meet the essential criteria of the person specification will be granted an interview.
- The Trust ensures that all employees who exit employment are offered the opportunity to participate in an exit interview. The information gleaned through this process is used to assess the overall employee experience within the organisation and identify opportunities to improve retention and engagement. The interviews also help foster positive relationships and a welcoming working environment.
- During the Covid-19 pandemic the Trust has consulted with employees on a number of occasions. This includes consultation in relation to the Trust's Covid-19 risk assessments, staff wellbeing surveys to identify and address concerns relating to Covid-19 in preparation for the wider reopening of schools and questionnaires to determine which employees fell within the high risk vulnerable groups. The latter ensured that Covid-19 specific Wellbeing Action Support Plans were put in place as necessary. Additionally, employees were provided with information relating to mental health and wellbeing to ensure that support was offered in coping with all aspects of lockdown. The Trust invested in Mental Health First Aid training to ensure all employees have access to a Mental Health First Aider. The Trust recognises the ongoing impact of the pandemic on the mental health and wellbeing of all employees and remains committed to providing necessary support as required.

#### **Engagement with suppliers, customers and others in a business relationship with the Trust.**

There has always been significant engagement with parents to gather their views on the educational provision within each academy and to address any queries and concerns they have. Due to the exceptional circumstances this year, there has been an increased level of communications with parents pertaining to Covid-19, these include plans and guidance on the wider and full re-opening of academies, information regarding remote learning, use of face coverings and protocols for GCSE and A-Level results days. The Co-CEOs, along with academy principals, have communicated with parents throughout the pandemic to ensure that they remain connected with the Trust and its academies.

#### **Suppliers**

During the year, the Trust has introduced a procurement strategy which is focused on reviewing procurement practices and supplier relationships to encourage a more sustainable and fair way of working across the Trust.

One of these principals is that we will endeavour to source locally with small suppliers where possible to support the local community and therefore the stakeholders.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Structure, Governance and Management (continued)**

In addition to this, the Trust aims to be transparent and fair in our procurement process and observe EU and national legislation. In order to demonstrate high standards and probity and be able to respond to enquiries and complaints the Trust ensures that all procurement processes are documented and that procurement decisions are always evidence based.

Throughout the Covid-19 pandemic the Trust has worked with suppliers under the Government's PPN02/2 guidelines.

### **Objectives and Activities**

#### **Aims and strategies**

The Trust's objective is set out in its Articles of Association. In summary, it is to establish, maintain, manage and develop a Multi Academy Trust with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England.

In accordance with the Articles of Association, the Trust has adopted a 'Funding Agreement' approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis of admitting students to the academies.

#### **Public Benefit**

In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to and have complied with the Charities Act 2011 and the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

#### **Serving the Local Community and Society**

The Trust plays a significant part in the local and wider community and, where possible in support of our charitable objectives, we seek to develop strong partnerships with new and existing organisations to benefit the local community.

The Trust's sites continue to play a critical role in the development of community focused service delivery programmes. The Trust and its partners strongly believe good progress has been made to increase social responsibility, cohesion and healthy living within the community; however, the impact is very modest when compared to the significant obstacles faced by many in the community.

Our partners in delivering this change are:

- The Diocese of Leeds
- Leeds City Council
- Calderdale Council
- The citizens of Leeds and Calderdale

In addition to the community-focused services developed by the Trust and its partners, local clubs and groups continue to make use of the facilities provided by the Trust.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Strategic Report**

#### **Achievements and Performance**

Abbey MAT Board's vision is to develop a high performing Multi Academy Trust that delivers the best educational experience for pupils from 3 - 19. This document sets out how we will grow, develop, support and improve our Academies across the wide and diverse geographical area of the Leeds Diocese, with a clear focus on raising standards, encouraging innovation and strengthening the ethos of the Trust to ensure that we have a positive impact on all the young people within the Trust.

Our vision is that the Academies, supported by the Trust, will provide an environment which is welcoming, caring, calm, disciplined and purposeful and which will stretch our young people academically, support them pastorally and help them develop socially and spiritually.

We recognise the power of partnership working and seek to share and receive good practice with and from other organisations to ensure that all our students experience high quality education that enables them to achieve their full potential.

The Trust has a well-developed and comprehensive portfolio of School Improvement Services. This function is led by the Director of Education who is well placed to lead a team of Specialist Leaders, Strategic Leaders and Lead Practitioners. They focus on continuing professional development and school improvement through the development of leadership and improving the provision of teaching and learning. Lead Practitioners also supplement the primary team in both maths and English as well as Teaching & Learning.

School Improvement areas are identified with Principals through each academy's own question and answer processes and the reviews led by the Director of Education and the Primary Executive Principal to create accurate self-evaluation for each academy. Research and shared understanding of it is used to develop effective evidence based strategies, which will drive improvement, accelerate progress and diminish the difference in standards. The team of Lead Practitioners can be deployed directly into classrooms to work alongside teachers as well as leading professional development in training sessions.

Following the conclusion of the successful round 1 SSIF project which ended in March 2019 the Trust received a RAG rating of green validating that the project was delivered as set out in the initial application and this was supported by testimonials from supported schools. The Trust was successful in attracting further funding (Round 3 SSIF Bid) to develop the project with additional partner schools. This additional project began in September 2018 and ended in March 2020.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Going Concern**

During the year the Trust put in place a recovery plan that was accepted by the ESFA. The recovery plan forecasts that the Trust will be generating surpluses by the year ended 31 August 2021. This will also take the Trust back into surplus reserves. At the time of signing off the financial statements, the Trust was in line with the recovery plan forecast for 31 August 2021.

In addition to the above, the central team continues to work on the Trust's procurement strategy, which includes both short term and longer term objectives that the Trust is working on both at academy and Trust level. The short-term objectives include a review of all high value expenditure lines to ensure that contracts are coterminous, and are achieving economies of scale savings where possible. Detailed cash flow forecasts are being produced and reviewed regularly to ensure that liabilities can be met as they fall due. The Trust's cash flow position was showing a more favourable position at the year end with an increase of nearly £1m from the previous year to £2.4m (2019: £1.5m).

The Trustees have reviewed the key risks that the Trust will be facing in the next 12 months which may impact on the recovery plan and return to surplus revenue reserves and believe that the following areas indicate that a material uncertainty exists that may cast some doubt on the Trust's ability to continue as a going concern;

- Achievement and timing of planned savings needed to achieve target budgets at both academy and Trust levels
- Adverse future impact of current pandemic Covid-19 such as increased supply costs not covered by additional funding.

The Trustees have assessed whether it is appropriate to prepare the financial statements on a going concern basis in light of there being material uncertainty and believe the robust plans being implemented should mitigate the material uncertainty regarding the going concern risk of the Trust.

### **Promoting the success of the company**

The Trust Board of Abbey Multi Academy Trust ensure that all decisions are carefully considered taking into account the long-term impact on the organisation as a whole. This is achieved through the robust risk management process. The Trust has embedded risk management into its existing processes and procedures ensuring that risks are explicitly considered. In particular, this will be in the following key activities:

- Strategic planning
- Preparation of development plans
- Preparation of 3-year financial plans including
- Programme approvals
- Standard agenda items at SLT, ELG, LGB and all Trust meetings
- Capital project proposals
- Ofsted reports
- Academy performance reviews

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Promoting the success of the company (continued)**

In addition, the Trust ensures that risk management is included in its staff development programme.

The Trust ensures that success is celebrated both internally and externally through regular newsletters, briefings and social media campaigns. Additionally, the Trust uses the annual staff and governor conferences as an opportunity to celebrate the success of the organisation.

### **Financial Review**

Most of the Trust's income is derived from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from these parties during the period 1 September 2019 to 31 August 2020 and the associated expenditure against these grants are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice "Accounting & Reporting by Charities (SORP FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total revenue income was £29.1 million, offset by revenue expenditure of £30.8 million. The excess of expenditure over income for the period was therefore £1.7 million.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives.

Operational expenditure decreased over the same period by £0.6 million to £32.5 million due to the increased central procurement and cost efficiencies made in the year.

At 31 August 2020, the net book value of fixed assets stood at £50.5 million, with details of movements in the fund shown at note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

During the period the Trust spent £262,579 on fixed assets with the significant capital projects being ICT replacement, phased energy efficiency capital spend and the extension of the catering provision at Abbey Grange C of E academy to accommodate two years of increased year 7 cohorts.

The provisions of the Financial Reporting Standard No 102 'Accounting for Pension Costs' have been applied in full, resulting in a significant increase in recognised deficit on the Balance Sheet of £4.2 million, up to £15 million at 31 August 2020.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Financial Review (continued)

The reasons for this increase include the following:

- The roll forward approach has been applied to calculate pension scheme assets and liabilities by adjusting the results of the last full actuarial valuation exercise.
- The results allow for the 2019 Actuarial valuation of the fund. The demographic assumptions have also been updated to reflect those used for the 2019 Actuarial Valuation, impact of this being Actuarial losses of £1.194 million
- Asset returns were lower than expected, this has led to a loss on assets over the accounting period and a worsening in the balance sheet position before allowance for the 2019 Actuarial valuation.
- A reduction in the discount rate of 0.2%, and an increase in CPI inflation of 0.2%, and the salary increase assumption has increased by 0.2%. This impact can be seen most clearly in the element "actuarial losses due to changes in financial assumptions" amounting to £3.389m.
- Accounting for national scheme changes: GMP equalisation and indexation and the McCloud Judgement

The Trust held fund balances at 31 August 2020 of £36.5 million, comprising the following:

	£000
Restricted income fund	(1,763)
Restricted pension reserves	(15,022)
Restricted fixed asset reserves	51,733
Unrestricted income fund	1,551

The Abbey Multi Academy Trust is working with Lightcliffe Academy, Bishop Young Academy, Manston St James Primary Academy, Christ Church Upper Armley Primary Academy and Holy Trinity Primary Academy to address their deficits.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Principal Risks & Uncertainties

The Trust has in place sound risk management and assurance processes. Trustees believe that an effective risk management strategy is a matter of good organisational practice, lying at the heart of good management and effective governance. The principal risks and uncertainties are centred around changes in the level of funding from the DfE/ESFA, student numbers across the Trust and the requirement to deliver surplus budgets in order to increase levels of reserves. In addition, the Trust is a member of the West Yorkshire Local Government Pension Scheme (LGPS) which results in the recognition of a significant deficit on the Trust's balance sheet.

The Trustees continue to acknowledge that they live in ever uncertain times which have heightened their awareness of risk throughout the Trust and they have spent some time discussing the risks and their approach to dealing with that risk. Consequently, the Trustees believe that they are developing a robust and rigorous approach to the management of risk which will stand the Trust in good stead as it develops over the coming years. The major risks facing the Trust are deemed to be as follows:

The significant external risk during 2019-20 was in relation to Covid-19 and the impact of school closures across the Trust on both the teaching and learning and the financial position of the Trust. Trustees were assured throughout the period that Trust leadership were focused on keeping children and staff safe whilst continuing to provide remote based or on-site education depending on national and local guidance and local circumstances, and have received regular updates on the financial impact through the Trust monthly management accounts.

- Continued impact of the Covid-19 pandemic on private income sources across the Trust. During the year the following services were impacted due to school closures, reduced cohorts and lockdown guidelines: In house catering functions at the secondary academies, lettings and out of hours and nursery provisions at primary academies. Regular reviews of the individual academy trading accounts are undertaken with academies to try and minimise the impact. Due to the financial position of the Trust, the decision was taken to furlough some staff in year to support in reducing deficit outturns.
- There has been a significant increase to budget in supply costs across the Trust due to staffing shortages in relation to Covid-19. The Trust leadership team has continued to support academies to try and manage staff absence where possible and has invested in staff mental health and wellbeing through both CPD opportunities and external counselling services.
- The financial risk associated with academies not running at capacity has been impacted by delays in achieving improved Ofsted judgements, due to school closures and reduced Ofsted visits taking place due to coronavirus restrictions. The potential impact from this is that some academies will continue to remain undersubscribed impacting on future funding. Academies have been further impacted by having to run open evenings/days virtually which may have a negative impact on 2021-22 admission. The Trust leadership team has continued to support academies through marketing and virtual opening evenings through the Trust Digital Services team.
- The impact of Covid-19 on staff and pupil mental and health and wellbeing has been considered throughout the pandemic and considered to be high risk. Employees have been provided with information relating to mental health and wellbeing to ensure that support was offered in coping with all aspects of lockdown and wider school opening. Additionally, the Trust invested in Mental Health First Aid training to ensure all employees have access to a Mental Health First Aider.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Principal Risks & Uncertainties (continued)

In addition to the above, the Trust has the following risks rated as high within the risk register:

- Due to the cancellation of statutory examinations and the removal of performance data for 2020, outcomes at Bishop Young do not show the improvements to attainment and progress that have occurred. Although the academy's reputation has significantly improved, the legacy Ofsted outcome of the predecessor school continues to impact on the academy's ability to attract enough applicants to meet its pupil admissions number thus posing a threat to its financial viability.
  - o An academy development plan is in place, at Bishop Young, alongside a catch up premium plan to utilise the additional funding being received to ensure gaps to learning are narrowed. In addition to this, monitoring activities are in place which demonstrate that teaching and learning continues to improve. Had GCSE's taken place in summer 2020 it was anticipated that results would have shown further improvement.
- Due to the cancellation of statutory examinations and the removal of performance data for 2020, educational outcomes at Lightcliffe Academy do not show the improvement made. There is the potential for future outcomes to be adversely impacted as a result of the continued disruption to education through school closures, self-isolation and local and national restrictions being imposed. The academy has failed to reach its pupil admission number in Year 7, for September 2020, and the loss of income is a threat to the academy's financial viability.
- Lightcliffe Academy was awarded a 'minded to terminate' letter by the DfE following the Ofsted inspection in Nov 2018 at which the school was deemed to be in special measures. Two subsequent monitoring visits have evidenced that leadership are taking effective action to remove special measures; however, the disruption to the Ofsted inspection process due to the pandemic will adversely impact timescales for future inspections and the potential removal of the special measures judgement.
  - o A post-Ofsted action plan is in place, at Lightcliffe Academy, alongside a catch up premium plan to utilise the additional funding being received to ensure gaps to learning are narrowed. In addition to this, monitoring activities are in place which demonstrate that teaching and learning continues to improve.
- Financial risk associated with delayed financial recovery of the Trust and return to surplus reserves.
  - o The Trust recovery plan was approved by the ESFA during the year and monthly monitoring meetings continue to take place. The outturn was more positive than forecast due to ongoing reviews of staffing metrics, staffing reductions and non-replacement of staff through natural wastage. In addition to this, a Trust procurement policy was put into place during the year with one to three year objectives in place and increased monitoring and reporting is in place to highlight risks in advance.
  - o Cashflow is monitored effectively and has significantly improved as a result of the above
  - o Bad debt risk is minimal
  - o Attempted cyber fraud has been identified during the period but has not been successful due to consistent application of the Trusts internal control systems.



# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Principal Risks & Uncertainties (continued)**

- Recruitment and retention risk due to the ongoing restructures that are required to rebalance school's metrics
  - o The restructure that commenced in January 2020 has concluded after a pause to the process due to Covid-19. Although a number of staff who were not at risk secured employment elsewhere, recruitment to find replacements was successful.
  - o The Trust continues to engage with employees through the Trust conference, employee feedback surveys, policy consultation, trade union engagement, reasonable adjustments and / or supportive measures for known disabilities and exit interviews from staff leaving to review employee experience.

### **Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is in a deficit position (£212,000). Trustees plan to increase the level of reserves in the short term to cover one month's revenue expenditure which would amount to £2.5 million which would enable the Trust to cover any unexpected costs such as staff sickness.

The long term target is 2 months of working capital which would amount to £5 million. Trustees accept that this is a long term goal which will be challenging to achieve in the current challenging financial climate.

### **Investment Policy**

The Trust invests surplus funds through term deposit accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risk to the principal sum.

### **Fundraising**

The Academy Trust does not use external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

### **Streamlined Energy and Carbon Reporting (SECR)**

Abbey Multi Academy Trust is developing an Environmental Strategy which aims to reduce the Trust's carbon footprint and to work towards becoming a single-use plastic-free organisation by 2023.

The Trust has committed itself and its resources to becoming a more sustainable and energy efficient organisation. We will look to collaborate with stakeholders across the Trust as part of this process.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Streamlined Energy and Carbon Reporting (SECR) (continued)**

During the year we have undertaken a number of initiatives to move towards greater sustainability including:

- Committing to over £0.5m in capital works including new UPVC windows, LED lighting, and building fabric improvements,
- The catering department has started to introduce biodegradable packaging at some sites to reduce down on single use plastic and is putting in strategies to reduce food waste for both environmental and economic purposes.
- We have partnered with food waste social enterprises in some of the academies to reduce waste and educate learners on the importance of healthy and sustainable eating

In the upcoming year we will build upon this with the following initiatives:

- Capital works using School Condition Allocation to invest in energy efficiency measures
- Continue review of catering functions with regards to packaging and waste.
- Investigating further Trust-wide partnerships particularly in relation to food waste social enterprise.
- Involving students, guardians and employees in the shaping of the vision and strategy
- Enhancing our outdoor spaces
- Promoting active travel, and
- Integrating sustainability into all procurement decisions in line with our procurement strategy

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Streamlined Energy and Carbon Reporting (SECR) (continued)

Our Streamlined Energy and Carbon Reporting Data is shown here:

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/20
Annual UK Energy Use (KWh)	6,783,486
Associated Greenhouse Gas Emissions (CO2e)	1,356.13
Gross emissions in metric tonnes CO2e per pupil	0.27
Scope 1	
Gas Consumption	845
Owned Transport	6
Total Scope 1	851
Scope 2	
Purchased Electricity	489
Scope 3	
Business travel in employee owned vehicles	17

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Governments Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Plans for Future Periods**

The key focuses for 2020-21 will continue to be:

### **Trust Strategic Action Plan**

The Abbey MAT Board introduced a 5-year strategic development plan in 2019 with the main focuses being:

- Strategic Planning and Vision
- Performance Data and Outcomes
- Accountability—Roles and Responsibilities
- Governance
- Financial Stability, Business Efficiencies and Effectiveness

The Trust is in its second year of the five-year plan and is on-line to achieve its strategic ambition despite the challenges posed by the pandemic.

### **Supporting our schools and their communities**

Our vision is that the academies, supported through Abbey MAT, will provide an environment which is welcoming, caring, calm, disciplined, and purposeful and which will stretch our young people academically, support them pastorally and help them develop socially and spiritually

- Continue to support schools through the ongoing pandemic.
- Development and implementation of the Covid-19 catch up/action plan.
- Continue with financial recovery by supporting schools in realigning their individual school metrics in line with national averages whilst also taking into consideration the individual needs of students and the communities that the schools are situated within.
- Continued investment in both the ICT infrastructure to support students and staff with continued remote learning and School Conditions projects in line with the Trust 3-5-year capital investment strategy. The focus for 2020-21 will be on teaching and learning and energy efficiency across the Trust in line with the Trust sustainability action plan

### **Employees**

- Continued priority to be an employer of choice within the sector by creating and sustaining an authentic organisational culture, promoting inspirational leadership, communicating effectively with all stakeholders and actively listening to employee voice to make changes based on feedback and getting the basics right to make the organisation a place where people want to be.
- We continue to work with Gorse SCITT to deliver Initial Teacher Training and to develop the next generation of teachers.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Plans for Future Periods (continued)

#### Expansion

The Abbey MAT Board commits to the expansion of the Trust but recognises the benefit of growing at a controlled rate that continues to support the academies that are already in the Trust. The Trust's growth plan is as follows:

- Planned over a number of years on a 'case by case' basis.
- Responsive to the Diocesan's need to accommodate a growth in academies, both converters and sponsored.
- Balanced, taking on Good and Outstanding schools (to ensure capacity for continued progress and improvement) as well as maintaining our 'moral imperative' to support struggling schools where there is greatest need, providing we have capacity to do so.
- Sustainable and measured according to a shared commitment to the vision and ethos of the MAT. We will only expand when we have the capacity to do so.
- Diverse, serving a range of communities including those with relatively high levels of deprivation.

Any potential growth will not:

- Do anything that would be detrimental to any young person, staff or school in a neighbouring community
- Put the financial stability or academic reputation of the Trust at further risk

#### Auditor

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 26 January 2021 and signed on the Board's behalf by:



**Paul Whitman**  
Trustee

# Abbey Multi Academy Trust

## Governance Statement

### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Co-CEO/Executive Principal (Primary) as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management in accordance with the requirements and responsibilities assigned to it in the funding agreement between Abbey Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
P G Whitman (Chair)	7	7
G Price (Vice Chair)	6	7
F Baker	4	7
T M Mason	7	7
S Simkins	6	7
P J Laurence	7	7
Rev J Smith (resigned 19 <sup>th</sup> January 2020)	2	2
C R Blair	5	7
W Shaw (resigned 2 <sup>nd</sup> April 2020)	3	5
W Rachmann (appointed 23 <sup>rd</sup> March 2020)	3	3
C Garrett (Co-CEO from 6/12/19)	7	7
H Pratten (Co-CEO from 6/12/19)	7	7

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the financial position of the Trust and its individual academies and recommend appropriate remedial action where necessary; also to ensure that the Trust is managing its wider resources in the most effective manner to facilitate the integration of new academies into the Trust and enhance the fabric of its estates.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
G Price (Chair)	8	9
C R Blair	7	9
W Shaw (resigned 2 <sup>nd</sup> April 2020)	3	3
W Rachmann (appointed 23 <sup>rd</sup> March 2020)	6	6

# Abbey Multi Academy Trust

## Governance Statement (continued)

### Governance (continued)

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to oversee the development of the Trust's Risk Management Policy and processes, using both internal and external audit functions to give assurance on this and the systems of internal control. This will then allow the Committee to give the Trust Board the assurance it requires.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
S Simkins (Chair)	4	4
F Baker	4	4
G Price	3	4

### Review of Value for Money

As Accounting Officer, the Acting Co-CEO/Executive Principal (Primary) has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Renegotiating contracts in a timely manner to ensure the best mix of quality and cost effectiveness.
- Working with other local schools to share knowledge and best practice with a view to increasing cost efficiencies within the Trust
- Central purchasing for large contracts to achieve economies of scale

The Trust is committed to extending this approach over the coming years and is already targeting a number of services to address over the coming months.

# **Abbey Multi Academy Trust**

## **Governance Statement (continued)**

### **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 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 Abbey Multi Academy Trust for the period 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 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 Trust's significant risks that has been in place for the period 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint RSM Risk Assurance Services Ltd as internal auditor
- to re-appoint Mazars LLP as external auditor



# Abbey Multi Academy Trust

## Governance Statement (continued)

### The Risk and Control Framework (continued)

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

- Follow up of 2018/19 internal audit work
- Human Resources – Performance Management Audit
- Health and Safety Audit

On a regular basis the auditor reports to the Board of Trustees, through the Audit and Risk Committee/Finance and Resources Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

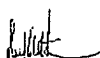
### Review of Effectiveness

As Accounting Officer, the Co-CEO/Executive Principal (Primary) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the 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 Audit & Risk Committee/Finance & Resources 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 26 January 2021 and signed on its behalf by:



**Paul Whitman**  
Trustee

  
H.L.Pratten (Jan 23, 2021 14:22 GMT)

**Helen Pratten**  
Accounting Officer

# Abbey Multi Academy Trust

## Statement of Regularity, Propriety and Compliance

As Accounting Officer of Abbey Multi Academy Trust I have considered my responsibility to notify Abbey Multi Academy Trust's Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the Funding Agreement in place between the 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 Board of Trustees, are able to identify any material irregularity or improper use of funds by the Trust or material non-compliance with the terms and conditions of funding under the 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.

*H.L. Pratten*

H.L.Pratten {Jan 28, 2021 14:22 GMT}

**Helen Pratten**  
**Accounting Officer**

Jan 28, 2021

# Abbey Multi Academy Trust

## Statement of Trustees' Responsibilities

The Trustees (who act as Directors of Abbey Multi Academy Trust and 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 Annual Accounts Direction published by the Education 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 in 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 on 26 January 2021 and signed on its behalf by:



**Paul Whitman**  
Trustee

# **Abbey Multi Academy Trust**

## **Independent Auditors' Report on the Financial Statements**

### **Opinion**

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

In our opinion, the financial statements:

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

### **Basis for opinion**

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

### **Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which sets out details of the Trust's current financial position and the plans put in place to improve it. The Trustees have indicated that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

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

# **Abbey Multi Academy Trust**

## **Independent Auditors' Report on the Financial Statements (continued)**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 27, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

# **Abbey Multi Academy Trust**

## **Independent Auditors' Report on the Financial Statements (continued)**


### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of the audit report**

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

  
Shaun Mullins (Jan 29, 2021 13:51 GMT)

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

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

**Jan 29, 2021**

# **Abbey Multi Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity**

In accordance with the terms of our engagement letter dated 15 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Abbey Multi Academy Trust during the period 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 Abbey Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Abbey Multi Academy Trust and the ESFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Abbey Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Abbey Multi Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Abbey Multi Academy 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 period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

# **Abbey Multi Academy Trust**

## **Independent Reporting Accountant's Report on Regularity (continued)**

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

The work undertaken to draw to our conclusion includes:

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

### **Conclusion**

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

**Mazars LLP**

**Reporting Accountant  
Mazars LLP**

**Jan 29, 2021**



# Abbey Multi Academy Trust

## Statement of Financial Activities (Incorporating Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	4	-	8	1,169	1,177	1,139
Transfer from local authority on conversion	4	-	-	-	-	1,490
Charitable activities:						
Funding for the Trust's educational operations	5	614	28,274	-	28,887	28,434
Other trading activities	6	214	-	-	214	338
Investments	7	3	-	-	3	1
<b>Total</b>		<b>830</b>	<b>28,282</b>	<b>1,169</b>	<b>30,281</b>	<b>31,402</b>
<b>Expenditure on:</b>						
Charitable activities:						
The Trust's educational operations	8	821	29,973	1,740	32,533	33,137
<b>Total</b>		<b>821</b>	<b>29,973</b>	<b>1,740</b>	<b>32,533</b>	<b>33,137</b>
<b>Net income/(expenditure)</b>		<b>9</b>	<b>(1,691)</b>	<b>(571)</b>	<b>(2,253)</b>	<b>(1,735)</b>
<b>Transfers between funds</b>		<b>(9)</b>	<b>136</b>	<b>(127)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes		-	(1,546)	-	(1,546)	(5,549)
Revaluation losses on defined pension assets		-	(1,072)	-	(1,072)	187
<b>Net movement in funds</b>		<b>-</b>	<b>(4,174)</b>	<b>(698)</b>	<b>(4,870)</b>	<b>(7,097)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,551	(12,612)	52,431	41,370	48,467
<b>Total funds carried forward</b>		<b>1,551</b>	<b>(16,785)</b>	<b>51,733</b>	<b>36,500</b>	<b>41,370</b>

# Abbey Multi Academy Trust

## Balance Sheet

Company Number 07705552

	Notes	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	12	24	35
Tangible assets	13	50,478	51,950
<b>Current assets</b>			
Debtors	14	1,087	1,137
Cash at bank and in hand	26	2,404	1,490
		<u>3,491</u>	<u>2,627</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	<u>(2,447)</u>	<u>(2,380)</u>
<b>Net current assets</b>		<b>1,043</b>	<b>247</b>
<b>Total assets less current liabilities</b>		<b>51,545</b>	<b>52,232</b>
Creditors: Amounts falling due after more than one year	16	<u>(23)</u>	<u>(28)</u>
<b>Net assets excluding pension liability</b>		<b>51,522</b>	<b>52,204</b>
Defined benefit pension scheme liability	30	<u>(15,022)</u>	<u>(10,834)</u>
<b>Total net assets</b>		<b>36,500</b>	<b>41,370</b>
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>			
. Fixed asset fund	17	51,733	52,431
. Restricted income fund	17	(1,763)	(1,778)
. Pension reserve	17	<u>(15,022)</u>	<u>(10,834)</u>
<b>Total restricted funds</b>		<b>34,948</b>	<b>39,819</b>
<b>Unrestricted income funds</b>	17	<u>1,551</u>	<u>1,551</u>
<b>Total funds</b>		<b>36,500</b>	<b>41,370</b>

The financial statements on pages 33 to 62 were approved by the Trustees and authorised for issue on 26 January 2021 and are signed on their behalf by:



**Paul Whitman**  
Trustee

# Abbey Multi Academy Trust

## Statement of Cash Flows

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used by) operating activities	23	(2)	(1,660)
<b>Cash flows from financing activities</b>	24	3	1
<b>Cash flows from investing activities</b>	25	913	545
<b>Change in cash and cash equivalents in the reporting period</b>		<b>914</b>	<b>(1,114)</b>
<b>Cash and cash equivalents at 1 September 2019</b>		<b>1,490</b>	<b>2,604</b>
<b>Cash and cash equivalents at 31 August 2020</b>	26	<b>2,404</b>	<b>1,490</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements

### 1 Statement of Accounting Policies

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

#### Basis of preparation

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

Abbey Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

#### Going concern

During the year the Trust put in place a recovery plan that was accepted by the ESFA. The recovery plan forecasts that the Trust will be generating surpluses by the year ended 31 August 2021. This will also take the Trust back into surplus reserves. At the time of signing off the financial statements, the Trust was in line with the recovery plan forecast for 31 August 2021.

In addition to the above, the central team continues to work on the Trust's procurement strategy, which includes both short term and longer term objectives that the Trust is working on both at academy and Trust level. The short-term objectives include a review of all high value expenditure lines to ensure that contracts are coterminous, and are achieving economies of scale savings where possible. Detailed cash flow forecasts are being produced and reviewed regularly to ensure that liabilities can be met as they fall due. The Trust's cash flow position was showing a more favourable position at the year end with an increase of nearly £1m from the previous year to £2.4m (2019: £1.5m).

The Trustees have reviewed the key risks that the Trust will be facing in the next 12 months which may impact on the recovery plan and return to surplus revenue reserves and believe that the following areas indicate that a material uncertainty exists that may cast some doubt on the Trust's ability to continue as a going concern;

- Achievement and timing of planned savings needed to achieve target budgets at both academy and Trust level
- Adverse future impact of current pandemic Covid19 such as increased supply costs not covered by additional funding

After making appropriate enquiries the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

#### Income

All incoming resources are included in the Statement of Financial Activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

- **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 entitlement of receipt, 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund

- **Sponsorship**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or Deeds of Covenant is recognised at the time of the donation.

- **Other Income**

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

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

- **Donated goods, facilities and services**

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

- **Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the

appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

- **Transfer on conversion**

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

### **Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

### Tangible fixed assets

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

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

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

• Freehold buildings	1.67% to 10%
• Long leasehold buildings	1% to 10%
• Fixtures, fittings and equipment	10% to 20%
• Computer hardware	20% to 25%
• Motor vehicles	20% to 25%

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

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

### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### Provisions

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

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

### Leased assets

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

### Financial instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### Taxation

The 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 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.



# **Abbey Multi Academy Trust**

## **Notes to the Financial Statements (continued)**

### **Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 30, 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 Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

### **Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Leeds City and Calderdale Councils.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### **Critical accounting estimates and areas of judgement**

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

### ***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, 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.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 2 Comparative Statement of Financial Activities for Year Ended 31 August 2019

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
<b>Income and endowments from:</b>						
Donations and capital grants	4	-	26	1,113	1,139	902
Transfer from local authority on conversion	4	-	(130)	1,620	1,490	-
Charitable activities:						
Funding for the Trust's educational operations	5	1,396	27,038	-	28,434	27,181
Other trading activities	6	319	19	-	338	349
Investments	7	1	-	-	1	2
<b>Total</b>		<b>1,716</b>	<b>26,953</b>	<b>2,733</b>	<b>31,402</b>	<b>28,434</b>
<b>Expenditure on:</b>						
Charitable activities:						
The Trust's educational operations	8	1,433	29,931	1,773	33,137	30,970
<b>Total</b>		<b>1,433</b>	<b>29,931</b>	<b>1,773</b>	<b>33,137</b>	<b>30,970</b>
<b>Net income/(expenditure)</b>		<b>283</b>	<b>(2,978)</b>	<b>960</b>	<b>(1,735)</b>	<b>(2,536)</b>
<b>Transfers between funds</b>		<b>(283)</b>	<b>780</b>	<b>(497)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>						
Actuarial/(losses)/gains on defined benefit pension schemes		-	(5,549)	-	(5,549)	1,331
Revaluation gain on defined benefit pension assets		-	187	-	187	391
<b>Net movement in funds</b>		<b>-</b>	<b>(7,560)</b>	<b>463</b>	<b>(7,097)</b>	<b>(814)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,551	(5,052)	51,968	48,467	49,281
<b>Total funds carried forward</b>		<b>1,551</b>	<b>(12,612)</b>	<b>52,431</b>	<b>41,370</b>	<b>48,467</b>

### 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was not subject to any limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 4 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	Total 2020 £000	Total 2019 £000
Capital grants	-	-	1,169	1,169	1,113
Assets on conversion	-	-	-	-	1,490
Other donations	-	8	-	8	26
	<u>-</u>	<u>8</u>	<u>1,169</u>	<u>1,177</u>	<u>2,629</u>

### 5 Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	23,969	23,969	23,783
Other DfE/ESFA grants	-	3,207	3,207	2,555
	<u>-</u>	<u>27,176</u>	<u>27,176</u>	<u>26,338</u>
<b>Other Government grants</b>				
Local authority grants		469	469	548
Other income from the Trust's educational operations	613	570	1,184	1,548
	<u>613</u>	<u>570</u>	<u>1,184</u>	<u>1,548</u>
<b>Exceptional Government Funding</b>				
Coronavirus Job Retention Scheme grant	-	58	58	-
	<u>-</u>	<u>58</u>	<u>58</u>	<u>-</u>
	<u>613</u>	<u>1,097</u>	<u>1,711</u>	<u>2,096</u>
	<u>613</u>	<u>28,273</u>	<u>28,887</u>	<u>28,434</u>

### 6 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	106	-	106	152
Income from other charitable activities	107	-	107	186
	<u>214</u>	<u>-</u>	<u>214</u>	<u>338</u>

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 7 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	3	-	3	1
	<u>3</u>	<u>-</u>	<u>3</u>	<u>1</u>

### 8 Charitable activities

	Staff Costs £000	Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	19,648		2,613	22,261	23,616
Support costs – educational operations	5,429	1,230	3,614	10,273	9,521
<b>Total</b>	<b>25,077</b>	<b>1,230</b>	<b>6,227</b>	<b>32,533</b>	<b>33,137</b>

Net expenditure for the period includes:

	Total 2020 £000	Total 2019 £000
Operating leases rentals	224	282
Depreciation	1,729	1,762
Amortisation	11	11
Fees payable to auditor for:		
- audit	26	25
- other services	14	9
Actuarial fees	1	2
Trustees' liability insurance	2	2

#### Analysis of support costs

	Total 2020 £000	Total 2019 £000
Support staff costs	3,860	4,778
FRS 102 – Service Cost	1,372	868
FRS 102 – Finance Cost	198	115
Depreciation	1,621	390
Technology costs	45	80
Premises costs	1,231	1,532
Legal Costs	19	27
Other support cost	1,820	1,625
Governance cost	108	106
<b>Total support costs</b>	<b>10,273</b>	<b>9,521</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 9 Staff

#### a. Staff costs

Staff costs during the period were:

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Wages and salaries	17,754	17,917
Social security costs	1,777	1,795
Operating costs of defined benefit pension schemes	4,933	3,582
	<hr/> 24,463	<hr/> 23,294
Supply staff costs	527	1,148
Staff restructuring costs	87	127
	<hr/> 614	<hr/> 1,275
	<hr/> 25,077	<hr/> 24,569

Staff restructuring costs comprise:

Severance payments	87	127
	<hr/> 87	<hr/> 127

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

Included in staff restructuring costs are 4 (2019: 7) non-contractual severance payments of £13,960, £12,963, £1,849, £862 (2019: £21,401, £20,000, £5,584, £4,800, £3,544, £3,442, £2,090.)

#### c. Staff numbers

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

	<b>2020 No.</b>	<b>2019 No.</b>
Teacher	264	270
Administration and support	369	364
Management	43	43
	<hr/> 676	<hr/> 677

#### d. Higher paid staff

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

	<b>2020 No.</b>	<b>2019 No.</b>
£60,001 - £70,000	9	10
£70,001 - £80,000	4	2
£80,001 - £90,000	-	2
£90,001 - £100,000	2	1
£100,001 - £110,000	3	2

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 3. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Trust was £1,151,887 (2019: £1,076,438).

## 10 Related Party Transactions – Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust.

Other Trustees did not receive any payments from the Trust in respect of their services as Trustees.

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

### C Garrett (Co-CEO/Director of Education):

Remuneration £109,644 (2019: £71,139)

Employer's pension contributions paid £25,964 (2019: £11,724)

### H Pratten (Co-CEO/Executive Principal (Primary):

Remuneration £109,644 (2019: £71,139)

Employer's pension contributions paid £25,964 (2019: £11,724)

During the year ended 31 August 2020, travel and subsistence expenses totalling £520 were reimbursed or paid directly to Trustees (2019: £nil).

## 11 Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2020 was £4,065 (2019: £4,045). The cost of this insurance is included in the total insurance cost.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 12 Intangible fixed assets

	Computer Software
	£'000
<b>Cost</b>	
At 1 September 2019	83
Additions	-
At 31 August 2020	<u>83</u>
<b>Amortisation</b>	
At 1 September 2019	48
Charged in year	11
At 31 August 2020	<u>59</u>
<b>Carrying amount</b>	
At 1 September 2019	35
At 31 August 2020	<u>24</u>



# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 13 Tangible fixed assets

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Furniture & Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
<b>Cost</b>						
At 1 September 2019	23,307	40,097	3,044	2,984	81	69,513
Transfer on conversion						
Additions	1	4	155	103	-	263
Disposals	-	-	(6)		-	(6)
At 31 August 2020	23,308	40,101	3,193	3,087	81	69,770
<b>Depreciation</b>						
At 1 September 2019	4,821	7,581	2,327	2,753	81	17,563
Charged in year	633	828	148	119	-	1,729
At 31 August 2020	5,454	8,410	2,475	2,872	81	19,292
<b>Net book values</b>						
At 31 August 2019	18,486	32,516	717	231	-	51,950
At 31 August 2020	17,854	31,691	719	215	-	50,478

Long leasehold land and buildings represent either land owned by the Church of England and held on Trust by the Leeds Diocese (formerly West Yorkshire & the Dales) Board of Finance or land owned by the local authority and leased to the Trust under a 125-year lease. The land and buildings owned by the Church of England have been made available to the Trust under a supplemental agreement between the Leeds Diocesan Board of Finance and the Trust for as long as the Trust conforms to terms of the Trust deed.

On the 1 September 2019 Christ Church Upper Armley C of E Primary Academy converted into the Trust, the land that the Academy is situated on is currently unregistered but is believed to be held by the Leeds Diocesan Board of Finance and a Church Supplemental Agreement is in place which gives the Trust operating rights. On that basis the land and buildings have been categorised as long leasehold in line with the valuation done by Eddisons Taylors Business and Commercial Valuers.

The gross book value of freehold and long leasehold and buildings includes land with a value of £6,060,000 which is not depreciated.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 14 Debtors

	2020 £000	2019 £000
VAT recoverable	84	187
Other debtors	51	145
Prepayments and accrued income	951	805
	<u>1,087</u>	<u>1,137</u>

### 15 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	516	745
ESFA creditor	125	95
Other creditors	417	344
Accruals and deferred income	954	766
Other taxation and social security	435	430
	<u>2,447</u>	<u>2,380</u>

	2020 £000	2019 £000
<b>Deferred income</b>		
Deferred income at 1 September 2019	429	580
Released from previous years	(419)	(567)
Resources deferred in the year	496	416
Deferred income at 31 August 2020	<u>506</u>	<u>429</u>

At the year end the Trust was in receipt of £260k (2019: £213,198) in respect of future trips and £224k (2019: £216,127) for grants for future periods

The Trust received a loan of £40,000 from ESFA for the purpose of boiler replacement and energy efficiency which is provided on the following terms: Repayment of £2,500 every 6 months over a period of 8 years. The amount repaid in the year was £5,000.

### 16 Creditors: amounts falling due in greater than one year

	2020 £000	2019 £000
ESFA creditor	23	28
	<u>23</u>	<u>28</u>

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 17 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(1,858)	23,969	(24,010)	136	(1,761)
Pupil Premium	-	1,379	(1,379)	-	-
SSIF	76	52	(130)	-	(2)
Other grants	4	2,881	(2,885)	-	-
Pension reserve	(10,834)	-	(1,570)	(2,618)	(15,022)
	<b>(12,612)</b>	<b>28,282</b>	<b>(29,972)</b>	<b>(2,482)</b>	<b>(16,785)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	28,350	-	(783)	-	27,567
Donated assets	18,594	-	(723)	-	17,871
ESFA capital grants	5,161	1,159	(191)	(127)	6,002
Capital expenditure from GAG	326	-	(43)	-	293
Other capital grants		10	-	-	10
	<b>52,431</b>	<b>1,169</b>	<b>(1,740)</b>	<b>(127)</b>	<b>51,733</b>
<b>Total restricted funds</b>	<b>39,819</b>	<b>29,451</b>	<b>(31,712)</b>	<b>(2,609)</b>	<b>34,948</b>
<b>Total unrestricted funds</b>	<b>1,551</b>	<b>830</b>	<b>(821)</b>	<b>(9)</b>	<b>1,551</b>
<b>Total funds</b>	<b>41,370</b>	<b>30,281</b>	<b>(32,533)</b>	<b>(2,618)</b>	<b>36,500</b>

Under the Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of General Annual Grant that it could carry forward at 31 August 2020.

### GAG and Other Grants

The General Annual Grant and other grants were paid to cover the running costs of the Trust. Funds spent in the year have been done so in line with the academies funding agreements.

### Unrestricted Funds

This is the revenue income generated by the Academy Trust throughout the year through the provision of consultancy services, unrestricted donations, and trading activities. These funds are held as a reserve for unforeseen expenditure.

Unrestricted funds can be transferred to restricted funds only with the consent of the Academy Trust.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

The academy trust is carrying a net deficit of £211,000 restricted general funds (excluding pension reserve) plus unrestricted funds because five of the Academies and the central Trust have ended the period with deficit reserve positions. The academy trust has a recovery plan in place to bring the Trust back in surplus reserve by the end of 2020/21.

### 18 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(64)	23,783	(26,357)	780	(1,858)
Pupil Premium	-	1,393	(1,393)	-	-
SSIF	-	313	(237)	-	76
Other grants	(634)	1,599	(961)	-	4
Pension reserve	(4,354)	(135)	(983)	(5,362)	(10,834)
	<b>(5,052)</b>	<b>26,953</b>	<b>(29,931)</b>	<b>(4,582)</b>	<b>(12,612)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	27,606	1,620	(876)		28,350
Donated assets	19,338		(744)		18,594
ESFA capital grants	4,656	1,113	(110)	(498)	5,161
Capital expenditure from GAG	368		(43)	1	326
	<b>51,968</b>	<b>2,733</b>	<b>(1,773)</b>	<b>(497)</b>	<b>52,431</b>
<b>Total restricted funds</b>	<b>46,916</b>	<b>29,686</b>	<b>(31,704)</b>	<b>(5,079)</b>	<b>39,819</b>
<b>Total unrestricted funds</b>	<b>1,551</b>	<b>1,716</b>	<b>(1,433)</b>	<b>(283)</b>	<b>1,551</b>
<b>Total funds</b>	<b>48,467</b>	<b>31,402</b>	<b>(33,137)</b>	<b>(5,362)</b>	<b>41,370</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 19 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(64)	47,752	(50,365)	916	(1,761)
Pupil Premium	-	2,772	(2,772)		-
SSIF	-	365	(367)		(2)
Other grants	(634)	4,480	(3,846)		-
Pension reserve	(4,354)	(135)	(2,553)	(7,980)	(15,022)
	<b>(5,052)</b>	<b>55,234</b>	<b>(59,903)</b>	<b>(7,064)</b>	<b>(16,785)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	27,606	1,620	(1,659)		27,567
Donated assets	19,338	-	(1,467)		17,871
ESFA capital grants	4,656	2,272	(301)	(625)	6,015
Capital expenditure from GAG	368	-	(86)	1	283
Other Capital grants	-	10	-	-	10
	<b>51,968</b>	<b>3,902</b>	<b>(3,513)</b>	<b>(624)</b>	<b>51,733</b>
<b>Total restricted funds</b>	<b>46,916</b>	<b>59,137</b>	<b>(63,416)</b>	<b>(7,688)</b>	<b>34,948</b>
<b>Total unrestricted funds</b>	<b>1,551</b>	<b>2,546</b>	<b>(2,254)</b>	<b>(292)</b>	<b>1,551</b>
<b>Total funds</b>	<b>48,467</b>	<b>61,683</b>	<b>(65,670)</b>	<b>(7,980)</b>	<b>36,500</b>

### Total funds analysis by the Trust

Fund balances at 31 August 2020 were allocated as follows:

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Abbey Grange CE Academy	921	360
Lightcliffe Academy	(34)	(284)
Bishop Young CE Academy	(320)	114
Manston St James Primary Academy	(7)	(23)
St Chad's CE Primary Academy	263	263
Holy Trinity CE Primary Academy	(131)	(137)
Lightcliffe CE Primary Academy	199	181
Christ Church Upper Armley CE Primary Academy	(55)	(40)
Abbey MAT	(1,048)	(661)
Total before fixed assets and pension reserve	(211)	(227)
Restricted fixed asset fund	51,733	52,431
Pension reserve	(15,022)	(10,834)
<b>Total</b>	<b>36,500</b>	<b>41,370</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### Total cost analysis by Academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2020 £000	Total 2019 £000
Abbey Grange CE Academy	5,727	644	891	1,241	8,503	8,189
Lightcliffe Academy	5,141	879	488	1,141	7,649	8,168
Bishop Young CE Academy	3,216	669	610	900	5,395	5,783
Manston St James Primary Academy	1,351	211	143	283	1,987	2,082
St Chad's CE Primary Academy	835	134	119	123	1,212	1,228
Holy Trinity CE Primary Academy	629	125	77	380	1,212	1,002
Lightcliffe CE Primary	1,182	265	111	212	1,770	1,729
Christ Church UA CE Primary Academy	714	126	83	161	1,084	1,050
Trust Services	834	1,066	56	1,847	3,802	3,129
<b>Total</b>	<b>19,628</b>	<b>4,119</b>	<b>2,578</b>	<b>6,288</b>	<b>32,614</b>	<b>32,360</b>

Total cost analysis per Academy excludes depreciation and includes internal recharges where relevant.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 20 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	24	24
Tangible fixed assets	-	-	50,478	50,478
Current assets	1,551	708	1,231	3,491
Current liabilities	-	(2,447)	-	(2,447)
Non-current liabilities	-	(23)	-	(23)
Pension scheme liability	-	(15,022)	-	(15,022)
<b>Total net assets</b>	<b>1,551</b>	<b>(16,785)</b>	<b>51,746</b>	<b>36,500</b>

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

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	35	35
Tangible fixed assets	-	-	51,590	51,590
Current assets	1,551	367	709	2,627
Current liabilities	-	(2,117)	(263)	(2,380)
Non-current liabilities	-	(28)	-	(28)
Pension scheme liability	-	(10,834)	-	(10,834)
<b>Total net assets</b>	<b>1,551</b>	<b>(12,612)</b>	<b>52,431</b>	<b>41,370</b>

### 21 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	41	-

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 22 Commitments under operating leases

#### Operating leases

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

	2020 £000	2019 £000
Amounts due within one year	120	176
Amounts due between one and five years	151	193
Amounts over five years	28	29
	<u>300</u>	<u>398</u>

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

	2020 £000	2019 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(2,253)	(1,735)
Adjusted for:		
Assets transferred on conversion	-	(1,485)
Depreciation [note 13]	1,729	1,762
Amortisation [note 12]	11	11
Capital grants from DfE and other capital income [note 4]	(1,169)	(1,113)
Interest receivable [note 7]	(3)	(1)
Defined benefit pension scheme cost less contributions payable [note 30]	1,372	868
Defined benefit pension scheme finance cost [note 30]	198	115
Decrease in debtors [note 14]	50	(68)
Decrease in creditors [note 15]	63	(14)
<b>Net cash used by Operating Activities</b>	<u>(2)</u>	<u>(1,660)</u>

### 24 Cash flows from financing activities

	2020 £000	2019 £000
Interest received	3	1
<b>Net cash provided by financing activities</b>	<u>3</u>	<u>1</u>



# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 25 Cash flows from investing activities

	2020 £000	2019 £000
Purchase of fixed assets	(257)	(568)
Capital grants from DfE/ESFA	1,169	1,113
<b>Net cash provided by investing activities</b>	<b>913</b>	<b>545</b>

### 26 Analysis of cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	2,404	1,490
<b>Total cash and cash equivalents</b>	<b>2,404</b>	<b>1,490</b>

### 27 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 £10.00 for the debts and liabilities contracted before he/she ceases to be a member.

### 28 Related party transactions

Owing to the nature of the 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 Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

The Diocese of Leeds (formerly the Diocese of West Yorkshire & the Dales) where the Director of Education and two further Trust Members (The Rt Revd P Slater and Mrs A Nicholl), all regularly attend Diocese of Leeds Trust Board meetings as Diocese of Leeds Trust Members, transactions amounted to £7,161 (2019: £27,735) in respect of subscriptions and course fees.

Leeds Faith in Schools transactions in year amounted to £10,173 (2019: £22,078) in respect of the provision of faith related service. Trust Member Mrs A Nicholl is currently a Trustee on Leeds Faith in Schools board.

The Trustees considered that all of the above transactions are in keeping with the activities of the Trust, especially a faith-based organisation such as Abbey Multi Academy Trust.

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 29 Agency arrangements

The Trust administers funds on behalf of the ESFA in respect of bursaries for Post 16 students, the analysis of funds area as follows:

	<b>Total 2020 £000</b>
Balance bought forward	90
Bursary grants received	47
5% administrative fee	(3)
Expenditure incurred	(25)
Amount reflected in Creditors	<u>109</u>

### 30 Pension and similar obligations

The 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 West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2019

Contributions amounting to £406,942 were payable to the schemes at 31 August 2020 (2019: £340,008) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

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

### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is 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.

### Scheme Change

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

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

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

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

The employer's pension costs paid to TPS in the period amounted to £2,755,407 (2019: £1,839,744).

### 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 £1,098,844 (2019: £1,081,694), of which employer's contributions totalled £797,766 (2019: £778,492) and employees' contributions totalled £301,078 (2019: £303,202). The agreed contribution rates for future years are 2020 - 2022: 15.9% for employers and a variable rate for employees based upon earnings.

As described in note 30, the LGPS obligation relates to the employees of the academy trust, who were employees transferred on conversion or from existing academies and 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 Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.6%	3.4%
Rate of increase for pensions in payment/inflation	2.3%	2.1%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.3%	2.1%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	23.2
Females	24.6	27.2
<i>Retiring in 20 years</i>		
Males	22.5	22.2
Females	25.7	25.2

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	14,260	14,263
Government Bonds	1,778	1,930
Corporate Bonds	916	827
Cash	312	349
Others	275	202
Property	788	809
<b>Total market value of assets</b>	<b>18,329</b>	<b>18,380</b>

The actual return on scheme assets was £716,000 (2019: £674,000).

### Amount recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost	2,166	1,359
Past service costs	-	280
Net interest cost	198	115
<b>Total operating charge</b>	<b>2,364</b>	<b>1,754</b>

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

	2020 £000	2019 £000
<b>At 1 September</b>	<b>29,214</b>	<b>20,980</b>
Current service cost	2,166	1,359
Interest cost	554	602
Employee contributions	299	299
Actuarial loss	1,546	5,549
Past service cost	-	280
Benefits paid	(428)	(402)
Net increase in liabilities from acquisition	-	547
<b>At 31 August</b>	<b>33,351</b>	<b>29,214</b>

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

	2020 £000	2019 £000
<b>At 1 September</b>	<b>18,380</b>	<b>16,626</b>
Return on plan assets (excluding net interest on the net defined pension liability)	356	487
Actuarial (loss)/gain	(1,072)	187
Employer contributions	794	771
Employee contributions	299	299
Benefits paid	(428)	(402)
Net increase in assets from disposals/acquisitions	-	412
<b>At 31 August</b>	<b>18,329</b>	<b>18,380</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements (continued)

### 31 Central Services

The Trust allocates across its member Academies a number of centrally derived costs which include the following:

- The services of the Acting Co-Chief Executives,
- The Central Curriculum & Business Support Teams,
- HR & Finance Support,
- Legal & Professional charges &
- Insurance & Apprenticeship Levy

The basis of the central services charge for the period was an amount per form of entry for the Primary Academies except for Lightcliffe Primary due to a 3-year agreement on conversion, with Secondary Academies picking up the remaining balance on an equal basis less any income generated by the Central Services Team, through Grants and/or the sale of services. Academies joining the Trust during the year were charged on a pro rata basis.

The budget and basis for the Central Services charge is approved annually by the Trust Board.

The actual amounts charged during the year were as follows:

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Abbey Grange CE Academy	556	545
Lightcliffe Academy	520	510
Bishop Young CE Academy	423	415
St Chad's Primary CE Academy	45	45
Manston St James CE Academy	90	90
Holy Trinity CE Academy	45	45
Lightcliffe Primary	60	60
Christ Church Upper Armley CE Primary Academy	45	45
	<b>1,784</b>	<b>1,755</b>