

**Community Schools Alliance
Trust
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year ended 31 August 2020

**Company Registration Number:
08319810 (England and Wales)**

Period of account: 1 September 2019 – 31 August 2020

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Community Schools Alliance Trust

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Community Schools Alliance Trust
Reference and Administrative Details

Members

Mrs Lynn Douglas
Dr Bridget Durning
Prof. Richard Huggins
Mr Bob Price
Mr Tim Wainwright

Trustees

Ms Liz Bell* (Chairperson)
Dr Bridget Durning
Dr Ann Childs*
Ms Pat O'Shea
Mr Jonathan Dawson* (appointed December 2019)
Mrs Linda Earnshaw* (appointed December 2019)
Mr Ian Thompson (appointed December 2019)
Mr Ian Busby* (resigned December 2019)
Mr Ehsan Klani (resigned December 2019)
Mrs Jolie Kirby (Ex officio Trustee - resigned August 2020)

*Member of Finance and Resources
Committee

Company Secretary

Mr Ben Hegedus

Community Schools Alliance Trust
Reference and Administrative Details (continued)

Senior Management Team

Head of HR and Compliance
Head of Finance

Mr Ben Hegedus
Mrs Laura Waller

Head Teachers

Executive Head of Bayards Hill Primary
School & Barton Park Primary School

Mr Gareth Griffiths

Head of Cheney School

Mr Rupert Moreton (resigned 31 August 2020)
Mr Rob Pavey (appointed 1 September 2020)

Company Name

Community Schools Alliance Trust

Principal and Registered Office

Cheney Lane
Headington
Oxford
OX3 7QH

Company Registration Number

08319810 (England and Wales)

Independent Auditor

Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers

Lloyds Bank Plc
1-5 High Street
Oxford
OX1 4AA

Solicitors

Veale Wasbrough Vizards LLP (Matthew Wolton)
Narrow Quay House,
Narrow Quay,
Bristol
BS1 4QA

Community Schools Alliance Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates one primary (two primaries from 1 September 2020) and one secondary academy in East Oxford. Its academies have a combined pupil capacity of 1920 and had a roll of 1880 in the school census in January 2020.

Structure, Governance and Management

Constitution

The academy 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 academy trust. The trustees of Community Schools Alliance Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Community Schools Alliance Trust.

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

Members' Liability

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

Trustees' Indemnities

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance through the Department for Education's risk protection arrangement (RPA) to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The limit of this indemnity is unlimited for Public and Employers Liability and unlimited for Professional Indemnity.

Community Schools Alliance Trust

Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- Up to 9 Trustees who are appointed by the Members;
- Maximum of 2 Parent Trustees (unless there are Local Governing Bodies which include at least two Parent Members) who are elected by the parents of registered pupils at the Academy Trust;
- The total number of Trustees, including the CEO, who are employees of the Academy Trust should not exceed one third of the total number of Trustees;
- The CEO, who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4-year period, although this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees' has the necessary skills to contribute fully to the Academy Trusts development.

Additional Trustees have been recruited from the local governing bodies of the schools making up the Trust based on their skills matrix and interest in supporting at that level.

The Articles of Association have been updated post balance sheet to remove the requirement for a CEO Director.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience and is tailored specifically to the individual, although it would always include a tour of the schools within the Academy Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees.

Training modules for ongoing training is made available to Trustees (as well as school governors) on topics such as Academies Financial Management & Academy Governance through GovernorHub a shared online platform.

Organisational Structure

The structure of the Academy Trust consists of Members who provide oversight of the governance arrangements a Board of Trustees comprising the directors who act as the Trustees of Community Schools Alliance Trust (see page 1) and three local Governing Bodies (one for each school).

The Board of Trustees normally meet five times a year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and the local Governing Bodies to which it devolves a number of responsibilities through Schemes of Delegation. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are two committees of the Board of Trustees:

- Finance and Resources (encompassing The Pay and Audit Committee)
- Education Performance and Achievement Committee (EPAC)

Community Schools Alliance Trust

Trustees' Report (continued)

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair;
- to appoint and / or consider the performance management of the Accounting Officer (AO) and Head Teachers; and
- to appoint the Company Secretary.

The Trustees are responsible for setting general policies, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Trustees have devolved the day-to-day management of the Schools within the Academy Trust to the AO and the Senior Management Team that is formed of senior staff within each school. The senior management team implement the policies laid down by the Trustees' and report back to them on performance.

In addition to the AO, there is a Trust Central Service Team, which comprises the Head of Finance, Head of HR and Compliance and Clerk. The purpose of the core team is to provide high quality expertise on all matters pertaining to the roles of financial regulation and oversight, quality assurance on health and safety compliance and human resources policy, practice and compliance, information technology, and communications. This central service team is line managed by the AO who reports to both the Trust and the relevant Governing Body Committees.

The accountability for the line management of the AO lies with the Trustees. Each school has a Head Teacher and the line management of Cheney School and Bayards Hill Head Teacher is with the LGBs which focus on setting the academic direction of their respective schools, and holding their senior leadership team, in particular the Headteacher, to account.

Arrangements for setting pay and remuneration of key management personnel

Trustees are responsible for setting the pay and remuneration of the AO and CFO. Trustees undertake two reviews during the year to monitor performance against agreed objectives with the final review determining the pay and remuneration of the AO and CFO.

The respective Local Governing Body determines the pay and remuneration of Head Teachers within the Trust using an external adviser to support and provide additional challenge. Performance management of the Head Teachers is in line with the usual process of setting quantifiable performance targets in line with the 5-year CSAT strategic plan, and school improvement plan targets. Performance management of all senior posts across the Trust is conducted using a six-month review point, with all pay decisions measured against performance management targets.

The Trust has a Pay and Audit committee, which scrutinises all staff performance and reports directly to the Board of Trustees'.

Community Schools Alliance Trust
Trustees' Report (continued)

Trade Union Facility Time

During the reporting year, and in line with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust's trade union activities were:

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 2 | 1 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---|--------|
| Provide the total cost of facility time | £2,790 |
| Provide the total pay bill | £2,790 |
| Provide the percentage of the total pay bill spent on facility time, calculated as: $\frac{(\text{total cost of facility time} \div \text{total pay bill}) \times 100}{100}$ | 1% |

Paid trade union activities

| | |
|--|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: $\frac{(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100}{100}$ | 100 |
|--|-----|

Community Schools Alliance Trust

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations

CSAT Schools are part of a number of partnerships with other educational institutions. These include being a partner of Oxfordshire Teaching School Alliance, a member of Oxford City Learning, Headington Partnership and the Jubilee Network.

For further details of related parties and transactions during the year, see Notes 11 and 28.

Engagement with employees (including disabled persons)

Each local governing body has two staff representatives who act as a source of information to the local governing body on staff issues and concerns and in turn liaise with staff about the strategic direction and decisions made by the school. Schools hold weekly briefings at which changes are communicated to staff. In turn, staff are encouraged to openly raise any questions or concerns they may have.

The schools forming part of the Trust carry out regular staff surveys to capture information about staff wellbeing, how engaged staff feel and giving them the opportunity to raise any concerns they may have, including those relating to the barriers they may face due to a disability.

The schools have an active and engaged union presence which regularly meet and communicate with Headteachers about any staff concerns that have arisen with a view to finding mutually agreed approaches to matters.

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

The administrative team has been actively engaged in compiling a clear record of the suppliers that are used by the Trust and the terms under which arrangements exist. These have been reviewed to ensure that the schools are getting value for money and are not tied into any unreasonably restrictive terms. At the same time, a great deal of work has been carried out by the site team to build up a regular supply of lettings income to help supplement the income to the schools.

Objectives and Activities

Objects and Aims

Underpinning CSAT's vision and values, is a commitment to every pupil with an emphasis on securing positive life chances for vulnerable pupils. Key elements of our vision:

We:

- Are driven by a moral purpose to transform the opportunities and life chances of children and young people
- Work in partnership with learners, their families, communities, Further Education and Higher Education and businesses to raise further aspirations, foster great expectations and achieve ambitious goals
- Further develop and sustain a robust model of school improvement to deliver world class education across all our schools
- Ensure our schools are inclusive and aspirational

Community Schools Alliance Trust

Trustees' Report (continued)

CSAT will achieve its vision through focusing on five strategic objectives that are reviewed and measured annually:

- Raise attainment and improve progression
- Supporting excellent standards of teaching and learning
- Build on excellent practice in regard to safeguarding, health and well-being for pupils and staff
- Ensure strong leadership and governance
- Build a strong infrastructure in the MAT to support the drive for every CSAT academy to be an exceptional school

All Schools within the Academy Trust have their own distinct school improvement plans.

Objectives, Strategies and Activities

The Key priorities for the period are contained in each School's Improvement Plan 2019-20.

The main objective of Cheney School for the period ended 31 August 2020 was to enable all their students, particularly vulnerable students, to be active and productive members of the school community. This was delivered through the following:

- To improve the attendance of vulnerable students
- To improve the participation and engagement of vulnerable students with their learning
- To ensure vulnerable students are supported and prioritised in planning, praise and feedback

The main objective of Bayards Hill School for the period ended 31 August 2020 was to improve overall effectiveness by increasing the number of pupils, in particular in PP and SEND, who are making consistently good progress. As part of the three year plan, this is being implemented and delivered through the following priorities:

Priority 1 - Accelerate pupil's progress so that all pupils make good progress.

Priority 2 - Improve the quality of teaching so that across the school it is judged no less than good.

Priority 3 - Improve behaviour for learning so that it influences positively on progress.

Priority 4 - To develop the provision for PSHE/RSE to build a well-rounded education that extends beyond the classroom

Priority 5 - Develop middle leaders to ensure they can effectively manage their areas.

The strategies for achieving these aims were through a rigorous programme of School Improvement, which has been set out in the School Improvement Plans for both Schools in 2019-20. These identified key actions under the core sections for School Improvement of quality teaching and learning and assessment, pupil behaviour and well-being, school curriculum, leadership and management and pupil outcomes. All departments and key stages have their own detailed improvement plans spanning all these areas, including the role of Premises, Human Resources, Information Technology, and Finance in School Improvement. Extensive external validation of School Improvement processes was conducted across the Trust Schools to provide further rigour and robustness to School Improvement strategies.

In addition to the School Improvement plans, the Trust has an educational standards plan, which provides a clear set of strategies and actions to drive up educational standards through collaboration and challenge. The senior staff across the Trust meet regularly to hold one another to account for the impact of strategies as well as well as having regular external validation and reviews of school/Trust progress and practice. Examples of impactful collaboration are the joint professional development program, NQT training, and teaching and learning immediate impact marking strategies.

Large numbers of staff have benefitted from support with well-being through our health and well-being Trust strategy, and we have been able to recruit and retain high calibre staff.

Cheney School has also taken a lead role in supporting Oxfordshire inclusion through working with the Head's association and Meadowbrook College to have improved IYFAP processes.

Community Schools Alliance Trust

Trustees' Report (continued)

Public Benefit

The Trustees of Community Schools Alliance Trust confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Academy Trust continues to advance public benefit through education in Headington and surrounding areas, offering a broad and rich curriculum.

The Academy Trust also allows use of its facilities for recreational purposes to the community at large in the interests of social welfare, and with the interest of improving the life of that community.

School facilities were made available to the local community in 2019-20 to support a range of educational and recreational activities. These included adult education classes, a very wide range of sporting activities and the use of facilities for general community lettings.

The admissions arrangement of the Academy Trust School's follow OCC guidelines and OCC oversee admission arrangements.

Strategic Report

Achievements and Performance

Following a difficult operational year in 2018/19, the Trust has made significant changes to ensure it remains financially viable. The two schools within the Trust in 2019/20 were both subject to large restructuring and a number of redundancies were made. The Trust has also made a number of changes through improved financial planning and reporting.

Procurement practices and contracts held were reviewed to ensure value for money, and investment in premises and business management systems resulted in improvements to the site and efficiencies in energy consumption.

The 2019/20 academic year has been a very different one. The Trust and its academies have faced unprecedented challenges and changes. Both schools within the Trust have made exceptional steps to ensure access to education is available.

All schools are fully staffed, and the Trust has been proactive in securing and retaining high quality staff.

The new Barton Park Primary school opened in September 2020, with an Exec Head, Head of School, two teaching staff and supporting Teaching Assistants and an office manager. The school opened with a Foundation class and Year 1&2 class.

It has not been possible to establish official data for Bayards Hill Primary school as the KS2 testing in the summer term could not take place. However, the school are currently showing 13.3% on children are on track to achieve greater learning depth, and it is anticipated that this could be as high as 53.3% by the end of the academic year. A clear plan and approach has been devised to support the children catch-up from the gap in their education which has hit the cohort at the school hard.

Cheney School has built on last year's results which placed the school as the 16th most improved school in the country. Its achievements can be summarised below:

GCSE qualifications that our students took with comparisons to the average for schools in England:

- Provisional Progress 8: 0.59 (2018/19: 0.18)
- Provisional Attainment 8 score: 52.84 (2018/19: 45.07)
- Grade 4 or above in both English and Maths: 74%
- Grade 5 or above in both English and Maths: 50%
- Entered for EBacc: 59.4%
- Achieving EBacc (standard 4+) 44.87

The DfE did not publish any league tables, Progress 8 or Attainment 8 scores for the 2019/20 exam series, due to the COVID-19 pandemic. Our Progress 8 and Attainment 8 scores are estimated using software that compares our outcomes to those of a cohort of similar schools from the previous year.

A-Levels

- A* - A Grades achieved - 35.59% (2018/19: 24%)
- A* - B Grades achieved - 55.87% (2018/19: 45%)
- A* - E Grades achieved - 99.29% (2018/19: 95%)

We are particularly pleased with the performance in Art, Classical Civilisation, Design Technology, English Literature, Further Mathematics and Mathematics, where more than 40% of our students achieved an A* or A. Additionally, 100% of our students achieved an A* to C in Art, Classical Civilisation, Product Design and Further Mathematics.

In total, 74% of our students will be going to University after Cheney, and 39% will be going to Russell Group Universities. 19% of students will be taking a gap year and 7% will be joining an apprenticeship scheme.

Community Schools Alliance Trust

Trustees' Report (continued)

Key Performance Indicators

- Teaching quality across the Trust is good which is securing a conducive environment across the schools to accelerate pupil outcomes and progress. The Trust's common vision is to improve every learner's life chances.
- Both schools secured a significant rise in pupil progress and attainment in 2020.
- Behaviour for learning continues to be a focus of progress and the schools have firm and impactful strategies in place to further raise standards in this area.
- Measures are in place to make sure there is tight control of staffing costs in relation to total costs.
- All students in year 11, 12 and 13 progress onto suitable employment, training, or education provision, and year 6 pupils are increasingly working at a secondary ready standard. The OFSTED report for Cheney School in 2018 was positive and secured the retention of the previous 'Good' category.

Going Concern

Over 90% of the Trust's funding is provided by the Department for Education through the Education and Services Funding Agency.

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. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded the Academy Trust has adequate resources to be able to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continued to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Community Schools Alliance Trust

Trustees' Report (continued)

Promoting the success of the company

The Trustees' and school governors' primary focus during the latter part of the academic year was on how best to support staff tasked with providing remote learning to students while working with limited IT resources and supporting families with even more limited IT resources. They have done so through providing support and guidance with remote working; securing any additional investment which has been made available to schools to make improvements to the IT facilities available to staff and students; accommodating personal needs of staff; and ensuring that the wellbeing of staff remains a high priority and is supported in an effective manner.

Financial Review

The Trustees examine the financial health of the Academy Trust termly through regular updates and financial reports. These reports highlight the key risks to the budget for each school in the Trust and provide a detailed analysis on the impact to the Trust's reserves. Updates and financial reports are provided at all Board of Trustees' and Finance and Resources Committee meetings.

Most of the Trust income is obtained from the DfE in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during 2019-2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Over the year revenue funding received was £10,559,507 (2019: £9,706,962). Capital funding received was £530,404 (2019: £339,544), which included £144,243 relating to Condition Improvement Funding (2019: £209,804). Income from non-government sources was £461,875 (2019: £811,789) and total revenue expenditure was £13,189,834 (2019: £12,946,520).

At the balance sheet date, the Trust had no significant liabilities arising from trade creditors or debtors where there would be significant effect on the trust's liquidity.

The Trust held balances at 31 August 2020 of £24,191,943 (2019: £24,455,991).

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the near future, therefore, the risk from this liability is minimised.

The key financial policies reviewed and adopted during the period included the Financial Procedures Manual Policy, which provides the framework for the Trust's financial management, including financial responsibilities of the Governing Body, Senior Managers, Finance staff and Budget Holders. There has been further clarification and tightening of the policy and procedures relating to staff expenses and overtime claims.

Reserves Policy

The Trustees and Local Governing Bodies consider the level of reserves the school should hold. Levels of reserves, which are too high, tie up money which should be spent on current school activities. Levels of reserves, which are too low, may put the future activities of the school at risk.

The reserves policy both informs and is informed by:

- strategic and operational planning including considering how new projects or activities will be funded
- the budget process considering whether reserves need to be used during the financial year or built up for future projects
- the risk management process by identifying any uncertainty in future income streams

When considering an appropriate level of reserves, the Trustees consider:

- the risk of unforeseen emergency or other unexpected need for funds
- covering unforeseen day-to-day operational costs, for example employing temporary staff to cover any long-term sickness absence
- a fall in a source of income

Community Schools Alliance Trust

Trustees' Report (continued)

- planned commitments that cannot be met through revenue income alone, for example contributions towards major capital projects
- risks on the risk register which have a financial implication

The financial risks identified determine the amount of reserves the academy targets to hold.

During the financial year, the Trustees identify:

- when reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken
- where the reserves level is below target and consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves

To support Trustees in this process, target reserves levels should be approximate to one month of non-payroll expenditure plus 3% of the schools General Annual Grant (GAG) income. No limit is placed on the amount of reserves the Trust holds at any one time as larger investments may be required from time to time.

The restricted capital funds relate to CIF and local authority funds held for specific projects. Therefore, the available funds are £62,422.

In-year reports to the Trustees and the Pay and Audit Committee:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

This reserves policy is monitored regularly for any changes in legislation or directions from the DFE, which may have an effect and evaluated in the light of any comments made by the DFE, ESFA, auditors and any other interested parties.

Community Schools Alliance Trust

Trustees' Report (continued)

On 31 August 2020 the Academy Trust held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

| | |
|-----------------------------------|-----------------------|
| | £ |
| Unrestricted General Funds | 62,422 |
| Restricted Capital Funds | 357,384 |
| Restricted General Funds | <u>33,986</u> |
| Reserves at 31 August 2020 | <u>453,792</u> |

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. CSAT are currently only investing in bank accounts.

All the Trust's funds to date have been held in Lloyds Bank accounts, which attract a return of 0.01% above Base Rate. The Trust's investment policy has been reviewed and consideration given to the use of short-term deposits.

For the period ended 31 August 2020, the Trust's cash balances generated an income of £442 (2019: £902).

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial

The Academy Trust has considerable reliance on continued government funding through the ESFA. In the period, approximately 90% of the Trust's incoming resources was ultimately government funded, and whilst this level is expected to continue, there is no assurance that government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms. The lack of clarity surrounding future funding compounds the difficulties faced by academies in budgeting and planning beyond the current financial year. We continue to plan and budget using Integrated Curriculum and Financial Planning and other tools as provided by the Government.

Trustees review three-year forecasts to understand the implications on the Trust's reserves so that, if required, appropriate strategies can be explored.

The impact of COVID-19 and the fall in the Trust lettings activity had an impact. We are currently reviewing how this is structured and budgeted.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks. As required, we undertake an annual external audit as well as internal scrutiny and are updating our rolling programme for 2020/21 and beyond.

Reputational

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Community Schools Alliance Trust

Trustees' Report (continued)

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

Included within the programme of internal scrutiny is a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. The Trust's Risk Register is maintained, reviewed, and updated on a regular basis.

Fundraising

The Academy Trust generates small amounts of income through fundraising activities. The PTA at Bayards Primary School is active in raising funds for educational purposes and ensures all appropriate precautions are taken when organising a fund raising event.

Community Schools Alliance Trust
Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

| | |
|---|------------------|
| UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020 | |
| Energy consumption used to calculate emissions (kWh) | 2,224,206 |
| Energy consumption break down (kWh) (optional) | |
| Gas | 1,515,867 |
| Electricity | 704,902 |
| Transport fuel | 3,437 |
| Scope 1 emissions in metric tonnes CO ₂ e | |
| Gas consumption | 279.00 |
| Owned transport – mini-busses | Nil |
| Total scope 1 | 279.00 |
| Scope 2 emissions in metric tonnes CO ₂ e | |
| Purchased electricity | 143.00 |
| Scope 3 emissions in metric tonnes CO ₂ e | |
| Business travel in employee owned vehicles | 13.00 |
| Total gross emissions in metric tonnes CO ₂ e | 435.00 |
| Intensity ratio | |
| Tonnes CO ₂ e per pupil | 0.23 |
| Quantification and Reporting Methodology:- State if true: We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Intensity measurement The chosen intensity measurement ratio is total gross emissions in metric tonnes CO ₂ e per pupil, the recommended ratio for the sector. | |

Community Schools Alliance Trust

Trustees' Report (continued)

Measures taken to improve energy efficiency

During the Financial Year 19/20 we have worked with our PV partners to install an export meter for the solar PV array at Cheney School. Interval data for the main HH supply shows that there are days when we export to the grid and to improve accuracy for reporting we are measuring this

The trust has been collecting some of its Scope 1, 2 and 3 emission data for several years and previous years' data is presented in the tables below:

Annual UK Energy Use

| | Annual Energy Consumption in kWh | | | | |
|------------------------------|----------------------------------|-----------------|-----------------|---------------|---------------|
| Source | FY | Sep 16 - Aug 17 | Sep 17 - Aug 18 | Sep 18-Aug 19 | Sep 19-Aug 20 |
| Scope 1 Gas | | 1769609 | 2018274.4 | 1704272.2 | 1515867 |
| Scope 1 Owned vehicles | | 0 | 0 | 0 | 0 |
| Scope 2 Grid Electricity kWh | | 689658 | 616657 | 636258 | 613242 |
| PV Generation kWh | | 71676 | 82972 | 84001 | 91660 |
| Scope 3 Staff Mileage | | | | | 3437 |
| TOTAL kWh | | 2530943 | 2717903 | 2424531 | 2224206 |
| Pupil numbers | | | 1851 | 1857 | 1887 |

Associated Greenhouse Gas Emissions – Current and Historic

| | Carbon emissions in kgs of CO ₂ e | | | | |
|--|--|-----------------|-----------------|---------------|---------------|
| Source | FY | Sep 16 - Aug 17 | Sep 17 - Aug 18 | Sep 18-Aug 19 | Sep 19-Aug 20 |
| Scope 1 Gas | | 325891.2671 | 371281.7586 | 313330.444 | 278722.4653 |
| Scope 1 Owned Vehicles | | 0 | 0 | 0 | 0 |
| Scope 2 Grid Electricity | | 242456 | 174557 | 162628 | 142971 |
| Scope 3 T&D - Voluntary reporting | | 22669 | 14880 | 13807 | 12295 |
| Scope 3 Staff Mileage | | | | | 863 |
| Total kgs CO ₂ e | | 591016 | 560719 | 489765 | 434853 |
| Total Tonnes CO ₂ e | | 591 | 561 | 490 | 435 |
| Intensity Ratio - tonnes CO ₂ e per pupil | | | 0.30 | 0.26 | 0.23 |

Community Schools Alliance Trust

Trustees' Report (continued)

Plans for Future Periods

The Board has a 5-year strategic plan that identifies the rate of growth and growth opportunities. These can be summarised as follows:

- Following the OFSTED visit at Bayards Hill, the school focus is on securing even better teacher and learning outcomes, which in turn impacts on improving pupil outcomes.
- The school will continue to develop the wider curriculum so that pupils are even more engaged in their learning.
- Staff development is a key priority across both schools with professional development involving joint training opportunities across the Trust's schools.
- Cheney School will continue to focus on quality of teaching and learning so that student outcomes continue on the upward trajectory. A key area for further development is in post 16 provision to further accelerate good progress and high levels of student attainment, to ensure the school is outstanding in the next inspection.
- New Barton Park primary school to be opened by the Trust in 2020.
- Leadership and management continues to be a strength and is outstanding through all Trust schools. This is supported by all schools securing Governor Mark status.
- Along with the growth of academies within geographical clusters, the Trust will develop further the infrastructure to provide both support and challenge.

Funds Held as Custodian Trustee on Behalf of Others

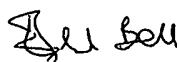
The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Auditor

Insofar 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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 7th December 2020 and signed on the board's behalf by:



Ms Liz Tyler-Bell
Chair of Trustees

Date: 7 December 2020

Community Schools Alliance Trust

Governance Statement

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Community Schools Alliance 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 10 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Ms Liz Tyler-Bell | 10 | 10 |
| Mrs J Kirby | 10 | 10 |
| Dr Bridget Durning | 9 | 10 |
| Dr Ann Childs | 8 | 10 |
| Mr Jonathan Dawson | 7 | 7 |
| Ms Pat O'Shea | 9 | 10 |
| Mrs Linda Earnshaw | 6 | 7 |
| Mr Ian Thompson | 3 | 7 |
| Mr Ian Busby | 0 | 2 |
| Mr E Klani | 0 | 2 |

Governance Reviews

Both Governing bodies appoint governors based on their skill-based approach so that governors can bring the right level of support and challenge alongside the robust governance required in CSAT Schools.

The Trustees are appointed based on skills that they provide to conduct trustee roles and responsibilities in an effective manner. A skills audit approach is used in line with the National Governors Association guidelines and in line with the National College for Teaching and Leadership.

Committees

The **Finance and Resources Committee (FRC)** is a sub-committee of the main board of trustees. Its purpose is to:

- Act as the Trust's audit committee
- Approve recruitment strategy, policy and staffing structures
- Set governance practices, policy framework and approach to risk
- Approval of the annual budget
- Ensuring regularity, propriety and value-for-money
- Ensuring compliance with the Academies Financial Handbook

Community Schools Alliance Trust

Governance Statement (continued)

Key issues for the finance and resources committee were:

- Ensuring the budget is balanced appropriately
- Appointment of the Accounting Officer
- Reviewing monthly management accounts and variances to budget
- Approval of expenditure in line with the Financial Handbook

Attendance at meetings in the year was as follows:

| Trustee | FRC Meetings attended Out of a possible | |
|--------------------|--|---|
| Mr Jonathan Dawson | 4 | 5 |
| Ms Liz Tyler-Bell | 5 | 5 |
| Mrs Linda Earnshaw | 5 | 5 |
| Dr Ann Childs | 2 | 3 |

The **Educational Performance and standards Committee (EPAC)** is a sub-committee of the main board of trustees. Its purpose is to:

- Approve and monitor the Trust academic performances
- Approve the Trust curriculum model
- Monitor pupil destinations and benchmarks
- Ensure data management and processing requirements are fulfilled
- Ensure Trust fulfils safeguarding requirements

Key issues for the Educational Performance and Achievement Committee were:

- Review of the schools' improvement plan
- Effectiveness of the quality assurance carried out by local governing bodies of the attainment and progress of their students
- Support given to vulnerable students and those that qualify for Pupil Premium funding with an aim to bridge the gap

Attendance at meetings in the year was as follows:

| Trustee | EPAC Meetings attended | Out of a possible |
|-----------------|-------------------------------|--------------------------|
| Ms Pat O'Shea | 2 | 2 |
| Dr Ann Childs | 2 | 2 |
| Mr Ian Thompson | 2 | 2 |

Community Schools Alliance Trust

Governance Statement (continued)

Review of Value for Money

The accounting officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Using approved purchasing and tendering frameworks to obtain value for money for purchases across the Trust. This has included contracts awarded to Waste Management, Grounds Maintenance, Utilities and various other smaller contracts.
- Continuing to employ appropriately qualified staff at senior management level to minimise the cost of external consultancy.
- Reviewing the delivery of additional provision and using a school-within-a-school model, rather than costly outsourcing.
- The development of a curriculum model and investing in Integrated Curriculum Financial Planning at Cheney School allows the senior management team to plan teaching and learning resources effectively, and understand the cost implications.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Community Schools Alliance 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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.

Community Schools Alliance Trust

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance and 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 specific internal audit function and has decided to buy-in an internal audit service.

The reviewer's role includes giving advice on financial, and other matters and performing a range of checks on the academy trust's financial, and other systems. In particular, the checks carried out in the current period included:

- Review of financial reforecasting data from November 2019 including staffing
- Review of detailed budgets by school for 2020/21, including staffing
- Reviewed the procedure for monthly reporting
- Testing and questioning of the above procedures and documentation

On an annual basis, the reviewer reports to the board of trustees, through the Finance and Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The annual review and report has historically been done in March of each year. Unfortunately, due to COVID-19, this had to be cancelled. As a result, the internal review relating to the 2019/20 academic year was not performed until November 2020.

There were no material areas of concern that arose during the review. However, the report notes that the Trust will need to continue to monitor staffing costs closely. It also highlights the reliance on CIF money to make large investments in the aging buildings at Cheney School.

The programme of internal scrutiny is currently under review. We are looking towards increasing visits to twice per academic year. The rolling programme of work is being updated to ensure it covers the appropriate areas of risk for the Trust.

Community Schools Alliance Trust
Governance Statement (continued)

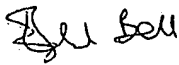
Review of Effectiveness

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

- the work of the internal auditor/reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7 December 2020, and signed on its behalf by:



Ms Liz Tyler-Bell
Chair of Trustees



Mr Ben Hegedus
Accounting Officer

Community Schools Alliance Trust
Statement on Regularity, Propriety and Compliance

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

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

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



Mr Ben Hegedus
Accounting Officer

Date: 7 December 2020

Community Schools Alliance Trust

Statement of Trustees' Responsibilities

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

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

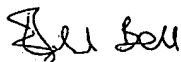
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 7 Dec 2020 and signed on its behalf by:



Ms Liz Tyler-Bell
Trustee

Community Schools Alliance Trust

Independent Auditor's Report to the members of Community Schools Alliance Trust

Opinion on financial statements

We have audited the financial statements of Community Schools Alliance Trust ('the academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2019 to 2020 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly 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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Community Schools Alliance Trust

Independent Auditor's Report to the members of Community Schools Alliance Trust (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the 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.

We have nothing to report in respect of the following matters where 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 Statement of Trustees Responsibilities (set out on page 25), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Community Schools Alliance Trust

Independent Auditor's Report to the members of Community Schools Alliance Trust (continued)

Use of our report

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



Robert Kirtland (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford

Date: 16 December 2020

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

Community Schools Alliance Trust

Independent Reporting Accountant's Assurance Report on Regularity to Community Schools Alliance Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Community Schools Alliance 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.

Respective responsibilities of Community Schools Alliance Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 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.

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:

1. Reviewing the minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Community Schools Alliance Trust

Independent Reporting Accountant's Assurance Report on Regularity to Community Schools Alliance Trust and the Education and Skills Funding Agency (continued)

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.

Use of our report

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



Critchleys Audit LLP
Reporting Accountant
Oxford

Date: 16 December 2020

Community Schools Alliance Trust
Statement of Financial Activities
For the year ended 31 August 2020
(Including Income and Expenditure Account)

| | | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2019/20 | Total 2018/19 |
|---|--------|-----------------------|--------------------------------|---------------------------------------|--------------------|--------------------|
| | Note | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 4,900 | - | 530,404 | 535,304 | 348,628 |
| Charitable activities | | | | | | |
| Funding for the academy trust's educational operations | 3 | - | 10,559,507 | - | 10,559,507 | 9,706,962 |
| Other income for educational operations | 4 | 311,969 | - | - | 311,969 | 565,049 |
| Other trading activities | 5 | 144,564 | - | - | 144,564 | 236,754 |
| Investments | 6 | 442 | - | - | 442 | 902 |
| Total | | 461,875 | 10,559,507 | 530,404 | 11,551,786 | 10,858,295 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 42,418 | - | - | 42,418 | 31,958 |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 8 | 461,433 | 12,180,710 | 505,273 | 13,147,416 | 12,914,562 |
| Total | | 503,851 | 12,180,710 | 505,273 | 13,189,834 | 12,946,520 |
| Net income / (expenditure) before transfers | | (41,976) | (1,621,203) | 25,131 | (1,638,048) | (2,088,225) |
| Transfers between funds | 17 | (157,961) | 595,189 | (437,228) | - | - |
| Net income / (expenditure) for the period | | (199,937) | (1,026,014) | (412,097) | (1,638,048) | (2,088,225) |
| Other recognised gains / (losses): | | | | | | |
| Actuarial gains / (losses) on defined benefit pension schemes | 17, 27 | - | 1,374,000 | - | 1,374,000 | (1,678,000) |
| Net movement in funds | | (199,937) | 347,986 | (412,097) | (264,048) | (3,766,225) |
| Reconciliation of Funds | | | | | | |
| Funds brought forward at 1 September | | 262,359 | (5,889,000) | 30,082,632 | 24,455,991 | 28,222,216 |
| Funds carried forward at 31 August | | 62,422 | (5,541,014) | 29,670,535 | 24,191,943 | 24,455,991 |

All of the Academy's activities derive from continuing operations and acquisitions in the current accounting period.

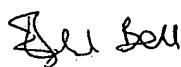
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Community Schools Alliance Trust
Balance Sheet
As at 31 August 2020

Company number:
08319810

| | Notes | 2020 £ | 2020 £ | 2019 £ | 2019 £ |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Intangible assets | 13 | | - | | 9,726 |
| Tangible assets | 14 | | 29,313,151 | | 29,706,336 |
| Current assets | | | | | |
| Debtors | 15 | 316,021 | | 483,010 | |
| Cash at bank and in hand | | <u>875,838</u> | | <u>958,272</u> | |
| | | 1,191,859 | | 1,441,282 | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 16 | <u>(738,067)</u> | | <u>(812,353)</u> | |
| Net current assets | | | <u>453,792</u> | | <u>628,929</u> |
| Total assets less current liabilities | | | <u>29,766,943</u> | | <u>30,344,991</u> |
| Net assets excluding pension liability | | | <u>29,766,943</u> | | <u>30,344,991</u> |
| Defined benefit pension scheme liability | 27 | | <u>(5,575,000)</u> | | <u>(5,889,000)</u> |
| Total net assets | | | <u>24,191,943</u> | | <u>24,455,991</u> |
| Funds of the academy trust: | | | | | |
| Restricted fixed asset funds | 17 | | 29,670,535 | | 30,082,632 |
| Restricted income fund | 17 | 33,986 | | | |
| Pension reserve | 17 | <u>(5,575,000)</u> | | <u>(5,889,000)</u> | |
| | | | (5,541,014) | | (5,889,000) |
| Total restricted funds | | | <u>24,129,521</u> | | <u>24,193,632</u> |
| Unrestricted income funds | 17 | | 62,422 | | 262,359 |
| Total funds | | | <u>24,191,943</u> | | <u>24,455,991</u> |

The financial statements on pages 31 to 55 were approved by the trustees and authorised for issue on 7th December 2020 and are signed on their behalf by



Ms Liz Tyler-Bell
Chair of Trustees

Community Schools Alliance Trust
Statement of Cash Flows
For the year ended 31 August 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|-----------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | (510,918) | (931,503) |
| Cash flows from investing activities | 22 | 428,484 | 240,058 |
| Cash flows from financing activities | 23 | - | - |
| Change in cash and cash equivalents in the reporting period | | <u>(82,434)</u> | <u>(691,445)</u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Cash and cash equivalents at 1 September | | 958,272 | 1,649,717 |
| Cash and cash equivalents at 31 August | 24 | <u>875,838</u> | <u>958,272</u> |

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period.

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.

Community Schools Alliance Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

Grants

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

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

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

Donations

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

1 Statement of Accounting Policies (continued)

Income (continued)

Other Income

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

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 (excluding transfers on conversion/into the academy trust)

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

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

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, as follows:

Purchased computer software

3 years

1 Statement of Accounting Policies (continued)

Tangible Fixed Assets

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

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 14 for further details).

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 lives. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

| | |
|----------------------------------|--------------------------|
| Leasehold buildings | 50 years from conversion |
| Leasehold improvements | 10-30 years |
| Plant and machinery | 10 years |
| Fixtures, fittings and equipment | 5 years |
| ICT equipment | 4 years |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Cash

Cash at bank and in hand includes cash held in notice deposits of less than 12 months which can be accessed at short notice if required. The amount held in notice deposits can be seen in note 24.

Liabilities

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

Provisions

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

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

Leased Assets

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

1 Statement of Accounting Policies (continued)

Financial Instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 net income/(expenditure) 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 gains and losses.

1 Statement of Accounting Policies (continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimate 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 27).

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

Community Schools Alliance Trust
Notes to the financial statements
For the year ended 31 August 2020

2 Donations and capital grants

| | Unrestricted Funds | Restricted Funds | Total 2019/20 | Total 2018/19 |
|---------------------------------|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| DfE/ESFA capital grants | | | | |
| Devolved formula capital grant | - | 38,402 | 38,402 | 129,740 |
| Condition Improvement Funding | - | 144,243 | 144,243 | 209,804 |
| | - | 182,645 | 182,645 | 339,544 |
| Other Government grants | | | | |
| Local authority capital funding | - | 347,759 | 347,759 | - |
| | - | 347,759 | 347,759 | - |
| Other donations | 4,900 | - | 4,900 | 9,084 |
| | 4,900 | 530,404 | 535,304 | 348,628 |

The income from donations and capital grants was £535,304 (2018/19: £348,628) of which £4,900 was unrestricted (2018/19: £5,080), £Nil restricted (2018/19: £4,004) and £530,404 restricted fixed assets (2018/19: £339,544).

3 Funding for Academy's educational operations

| | Unrestricted Funds | Restricted Funds | Total 2019/20 | Total 2018/19 |
|--|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| DfE/ESFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 9,079,071 | 9,079,071 | 8,764,034 |
| Start Up Grants | - | 25,000 | 25,000 | - |
| Other DfE Group grants | - | 1,159,328 | 1,159,328 | 718,609 |
| | - | 10,263,399 | 10,263,399 | 9,482,643 |
| Other Government grants | | | | |
| Early Years funding | - | 68,692 | 68,692 | 83,734 |
| Local authority revenue funding | - | 177,546 | 177,546 | 140,585 |
| | - | 246,238 | 246,238 | 224,319 |
| Exceptional government funding | | | | |
| Coronavirus Job Retention Scheme grant | - | 3,123 | 3,123 | - |
| Coronavirus exceptional support | - | 46,747 | 46,747 | - |
| | - | 49,870 | 49,870 | - |
| | - | 10,559,507 | 10,559,507 | 9,706,962 |

The funding for the academy's educational operations was £10,559,507 (2018/19: £9,706,962) of which £Nil was unrestricted (2018/19: £Nil), £10,559,507 restricted (2018/19: £9,706,962) and £Nil restricted fixed assets (2018/19: £Nil).

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

- The funding received for coronavirus exceptional support covers £46,747 of costs for additional premises expenditure, cleaning costs and costs in relation to provision for free school meals. These costs are included in notes 7 and 8 below.

- The academy furloughed some of its cleaning and breakfast club staff under the government's CJRS. The funding received of £3,123 relates to staff costs in respect of 12 staff which are included within note 9 below.

4 Other income for educational operations

| | Unrestricted Funds | Restricted Funds | Total 2019/20 | Total 2018/19 |
|--------------------------|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Trip and activity income | 62,969 | - | 62,969 | 153,260 |
| Catering income | 180,833 | - | 180,833 | 265,542 |
| Other income | 68,167 | - | 68,167 | 146,247 |
| | <u>311,969</u> | <u>-</u> | <u>311,969</u> | <u>565,049</u> |

The other income for educational operations was £311,969 (2018/19: £565,049) of which £311,969 was unrestricted (2018/19: £565,049), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

5 Other trading activities

| | Unrestricted Funds | Restricted Funds | Total 2019/20 | Total 2018/19 |
|---|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Hire of facilities | 139,317 | - | 139,317 | 236,754 |
| Income from other charitable activities | 5,247 | - | 5,247 | - |
| | <u>144,564</u> | <u>-</u> | <u>144,564</u> | <u>236,754</u> |

The other trading activities income was £144,564 (2018/19: £236,754) of which £144,564 was unrestricted (2018/19: £236,754), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

6 Investment Income

| | Unrestricted Funds | Restricted Funds | Total 2019/20 | Total 2018/19 |
|---------------------|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Short term deposits | 442 | - | 442 | 902 |
| | <u>442</u> | <u>-</u> | <u>442</u> | <u>902</u> |

The investment income was £442 (2018/19: £902) of which £442 was unrestricted (2018/19: £902), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

7 Expenditure

| | Staff Costs | Non Pay Expenditure Premises Costs | Other Costs | Total 2019/20 | Total 2018/19 |
|---|-------------------|--|------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Expenditure on raising funds | | | | | |
| Allocated support costs (note 8) | 28,785 | 13,633 | - | 42,418 | 31,958 |
| | <u>28,785</u> | <u>13,633</u> | <u>-</u> | <u>42,418</u> | <u>31,958</u> |
| Academy's educational operations | | | | | |
| Direct costs (note 8) | 8,339,764 | - | 538,379 | 8,878,143 | 8,185,025 |
| Allocated support costs (note 8) | 2,545,972 | 753,348 | 969,953 | 4,269,273 | 4,729,537 |
| | <u>10,885,736</u> | <u>753,348</u> | <u>1,508,332</u> | <u>13,147,416</u> | <u>12,914,562</u> |
| | <u>10,914,521</u> | <u>766,981</u> | <u>1,508,332</u> | <u>13,189,834</u> | <u>12,946,520</u> |

The expenditure on raising funds was £42,418 (2018/19: £31,958) of which £42,418 was unrestricted (2018/19: £31,958), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

The expenditure on academy's educational operations was £13,147,416 (2018/19: £12,914,562) of which £461,433 was unrestricted (2018/19: £512,542), £12,180,710 restricted (2018/19: £11,168,808) and £505,273 restricted fixed assets (2018/19: £1,233,212).

Net income/(expenditure) for the period includes:

| | 2019/20 | 2018/19 |
|--|---------|---------|
| | £ | £ |
| Operating lease rentals | 14,461 | 6,953 |
| Depreciation | 495,547 | 797,452 |
| Net interest on defined benefit pension liability (note 27) | 112,000 | 107,000 |
| Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations) | 9,726 | 9,747 |
| Fees payable to auditor for: | | |
| Audit of financial statements | 10,380 | 9,015 |
| Other services: Preparation of financial statements | 2,550 | 3,000 |
| Academies Accounts Return | 1,850 | 500 |

Included within expenditure are the following transactions. Individual transactions exceeding £5,000 are identified separately:

| | Total £ | Individual Items Amount £ | Reason Settlement agreement |
|--------------------|---------|------------------------------|-----------------------------------|
| Ex-gratia payments | 13,875 | 13,875 | |

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8 Charitable activities

| | Total 2019/20 | Total 2018/19 |
|--|-------------------|-------------------|
| | £ | £ |
| Direct costs - educational operations | 8,878,143 | 8,185,025 |
| Support costs - educational operations | 4,269,273 | 4,729,537 |
| | <u>13,147,416</u> | <u>12,914,562</u> |

Analysis of support costs

| | Educational operations | Total 2019/20 | Total 2018/19 |
|--------------------------------------|---------------------------|------------------|------------------|
| | £ | £ | £ |
| Support staff costs | 1,485,972 | 1,485,972 | 1,534,180 |
| Depreciation and amortisation | 505,273 | 505,273 | 807,199 |
| Technology costs | 98,836 | 98,836 | 99,891 |
| Premises costs | 766,981 | 766,981 | 1,016,987 |
| Other support costs | 337,219 | 337,219 | 660,724 |
| Governance costs | 14,992 | 14,992 | 15,556 |
| Other pension costs | 626,000 | 626,000 | 643,000 |
| Other finance costs (FRS102 pension) | 429,000 | 429,000 | (48,000) |
| Past service costs (FRS102 pension) | 5,000 | 5,000 | - |
| | <u>4,269,273</u> | <u>4,269,273</u> | <u>4,729,537</u> |

9 Staff

a. Staff costs

Staff costs during the period were:

| | 2019/20 | 2018/19 |
|--|-------------------|------------------|
| | £ | £ |
| Wages and salaries | 7,513,639 | 7,252,792 |
| Social security costs | 699,483 | 661,302 |
| Operating costs of defined benefit pension schemes | | |
| Employer contributions to pension schemes | 1,523,839 | 1,155,927 |
| FRS102 Other pension and finance costs | 1,060,000 | 595,000 |
| Apprenticeship levy | 22,981 | 21,744 |
| | <u>10,819,942</u> | <u>9,686,765</u> |
| Agency supply teaching staff costs | 37,458 | 89,607 |
| Staff restructuring costs | 57,121 | - |
| | <u>10,914,521</u> | <u>9,776,372</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | 57,121 | - |
| | <u>57,121</u> | <u>-</u> |

9 Staff (continued)

b Staff numbers

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

| | 2019/20 | 2018/19 |
|----------------------------|------------|------------|
| | No. | No. |
| Teachers | 128 | 120 |
| Leadership | 15 | 17 |
| Administration and support | 157 | 183 |
| | <u>300</u> | <u>320</u> |

The average number of persons (including senior leadership team) employed by the academy trust during the period expressed as full time equivalents was as follows:

| | 2019/20 | 2018/19 |
|----------------------------|------------|------------|
| | No. | No. |
| Teachers | 111 | 113 |
| Leadership | 14 | 15 |
| Administration and support | 105 | 137 |
| | <u>230</u> | <u>265</u> |

c Higher paid staff

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

| | 2019/20 | 2018/19 |
|---------------------|---------|---------|
| | No. | No. |
| £60,001 - £70,000 | 2 | 3 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |
| £100,001 - £110,000 | - | 1 |
| £140,001 - £150,000 | 1 | - |

d Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1-2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £329,727 (2018/19: £420,000).

10 Central services

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

| | |
|-----------------------------------|---------------------|
| Strategic and operational support | Human resources |
| Finance support | Compliance |
| Premises | Payroll |
| ICT | Educational support |

The Pay and Audit committee agree the basis of these costs. For the year under review, it was agreed that the costs would be based on 5% of GAG and Pupil Premium.

The actual amounts charged during the period were as follows:

| | 2019/20 | 2018/19 |
|---------------|----------------|----------------|
| | £ | £ |
| Cheney School | 393,338 | 376,472 |
| Bayards Hill | 88,804 | 90,388 |
| | <u>482,142</u> | <u>466,860</u> |

11 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment.

| | 2019/20 | 2018/19 |
|---|-------------|-------------|
| | £ | £ |
| J Kirby, Chief Executive Officer and Accounting Officer | | |
| Remuneration (includes redundancy payment) | £140k-£150k | £100k-£110k |
| Employer's pension contributions paid | £25k-£30k | £15k-£20k |

During the year ended 31 August 2020, travel and subsistence expenses totalling £212 were reimbursed or paid directly to 1 trustee (2018/19: £1,294 to 2 trustees).

12 Trustees and officers insurance

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

The cost of this insurance is included in the total insurance cost but has not been separately identified.

13 Intangible fixed assets

| | Computer Software £ | 2019/20 Total £ |
|------------------------|------------------------|-----------------------|
| Cost | | |
| As at 1 September 2019 | 38,988 | 38,988 |
| Additions | - | - |
| As at 31 August 2020 | <u>38,988</u> | <u>38,988</u> |
| Amortisation | | |
| As at 1 September 2019 | 29,262 | 29,262 |
| Charged in year | 9,726 | 9,726 |
| As at 31 August 2020 | <u>38,988</u> | <u>38,988</u> |
| Carrying amount | | |
| As at 31 August 2020 | <u>-</u> | <u>-</u> |
| As at 1 September 2019 | <u>9,726</u> | <u>9,726</u> |

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14 Tangible fixed assets

| | Leasehold land & buildings £ | Plant & machinery £ | Fixtures, fittings and equipment £ | Computer equipment £ | 2019/20 Total £ |
|------------------------|------------------------------------|---------------------------|---|----------------------------|-----------------------|
| Cost | | | | | |
| As at 1 September 2019 | 32,302,068 | 315,530 | 370,852 | 761,126 | 33,749,576 |
| Additions | - | 81,629 | 5,762 | 14,971 | 102,362 |
| As at 31 August 2020 | 32,302,068 | 397,159 | 376,614 | 776,097 | 33,851,938 |
| Depreciation | | | | | |
| As at 1 September 2019 | 2,930,315 | 125,821 | 333,276 | 653,828 | 4,043,240 |
| Charged in year | 379,854 | 36,721 | 21,055 | 57,917 | 495,547 |
| As at 31 August 2020 | 3,310,169 | 162,542 | 354,331 | 711,745 | 4,538,787 |
| Net book values | | | | | |
| As at 31 August 2020 | 28,991,899 | 234,617 | 22,283 | 64,352 | 29,313,151 |
| As at 1 September 2019 | 29,371,753 | 189,709 | 37,576 | 107,298 | 29,706,336 |

Leasehold land and buildings

The freehold of these land and buildings is owned by the respective Local Authorities. These are recognised in the accounts as the academy trust has the right to use the property.

The Trust took out a 125-year lease over the Cheney School land and buildings transferred from Oxfordshire County Council (OCC) following the original date of conversion and has since also taken out a similar lease over the Bayards Hill School land and buildings when it joined the Trust in 2014. The land and buildings transferred have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to the desktop valuations of the land and buildings commissioned by the ESFA as at 31 March 2013 (Cheney School) and 31 March 2015 (Bayards Hill School). The desktop valuations undertaken by Mouchel were carried out on a depreciated replacement cost basis. The Trustees also considered a separate valuation of the land and buildings of Bayards Hill Primary School prepared by OCC as at the date of transfer on 1 October 2014, which includes refurbishment work performed during the period that was not considered by Mouchel during their work. OCC have also performed additional refurbishment work on the Bayards Hill Primary School since 1 October 2014, but it is not possible for them to provide the Trust with a valuation of this work and so no value has been attributed to it in these financial statements.

Included in the value of land and buildings is land at a total value of £8,292,035 (2019: £8,292,035), which is not depreciated.

15 Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 688 | 33,585 |
| VAT recoverable | 39,711 | 227,881 |
| Prepayments and accrued income | 275,622 | 221,544 |
| | <u>316,021</u> | <u>483,010</u> |

16 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 67,381 | 190,884 |
| Other taxation and social security | 331,720 | 306,513 |
| Other creditors | 44,227 | 31,222 |
| Accruals and deferred income | 294,739 | 283,734 |
| | <u>738,067</u> | <u>812,353</u> |

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16 Creditors: amounts falling due within one year (continued)

Deferred income

| | 2020 £ | 2019 £ |
|----------------------------------|---------------|---------------|
| Deferred income at 1 September | 13,260 | 10,555 |
| Released from previous years | (13,260) | (10,555) |
| Resources deferred in the period | 75,511 | 13,260 |
| Deferred income at 31 August | <u>75,511</u> | <u>13,260</u> |

At the balance sheet date the academy trust was holding funding received specifically for the next financial year totalling £38,792 (2019: £13,260), together with lettings, trips, activities and other income received in advance totalling £36,719 (2019: £Nil).

17 Funds

| | Balance at 1 Sept 2019 £ | Income £ | Expenditure £ | Gains, losses and transfer £ | Balance at 31 August 2020 £ |
|---------------------------------------|-----------------------------------|--------------------------|----------------------------|------------------------------------|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 9,079,071 | (9,640,274) | 561,203 | - |
| Pupil Premium funding | - | 559,480 | (559,480) | - | - |
| Other DfE funding | - | 599,848 | (599,848) | - | - |
| Local authority revenue funding | - | 177,546 | (177,546) | 33,986 | 33,986 |
| Early Years funding | - | 68,692 | (68,692) | - | - |
| Other restricted funds | - | 74,870 | (74,870) | - | - |
| Pension reserve (note 27) | (5,889,000) | - | (1,060,000) | 1,374,000 | (5,575,000) |
| | <u>(5,889,000)</u> | <u>10,559,507</u> | <u>(12,180,710)</u> | <u>1,969,189</u> | <u>(5,541,014)</u> |
| Restricted fixed asset funds | | | | | |
| Devolved Formula Capital | - | 38,402 | - | (38,402) | - |
| Condition Improvement Funding | 366,570 | 144,243 | - | (501,188) | 9,625 |
| LA start up capital funding | - | 347,759 | - | - | 347,759 |
| Intangible fixed asset fund (note 13) | 9,726 | - | (9,726) | - | - |
| Fixed asset fund (note 14) | 29,706,336 | - | (495,547) | 102,362 | 29,313,151 |
| | <u>30,082,632</u> | <u>530,404</u> | <u>(505,273)</u> | <u>(437,228)</u> | <u>29,670,535</u> |
| Total restricted funds | <u>24,193,632</u> | <u>11,089,911</u> | <u>(12,685,983)</u> | <u>1,531,961</u> | <u>24,129,521</u> |
| Unrestricted funds | | | | | |
| Unrestricted funds | 262,359 | 461,875 | (503,851) | (157,961) | 62,422 |
| Total unrestricted funds | <u>262,359</u> | <u>461,875</u> | <u>(503,851)</u> | <u>(157,961)</u> | <u>62,422</u> |
| Total funds | <u>24,455,991</u> | <u>11,551,786</u> | <u>(13,189,834)</u> | <u>1,374,000</u> | <u>24,191,943</u> |

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

Pupil Premium Funding represents funding received from the Department for Education (DfE) to raise the attainment of disadvantaged pupils of all abilities. The eligibility of the pupils and rates of grant per pupil are set-out by the DfE. This funding is to be used for the provision of education.

Early Years Funding is provided by a local authority to facilitate provision of placements for 3 and 4 year olds.

Other DfE funding represents other forms of funding received from the Department for Education. This includes but is not limited to Rates Relief Income, UIFSM funding, Teachers Pay and Pension grants and PE and Sport Premium grant.

Local Authority Revenue funding represents various grant funding provided by Local Authorities.

17 Funds (continued)

Restricted general funds, Other grants represent amounts given to the academy trust for specific revenue purposes.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

Local Authority Capital Funding includes various grant funding provided by Local Authorities.

The Condition Improvement Fund represents funding provided by the Department for Education to be used for specific capital projects.

Restricted Fixed Asset Funds, Other grants and donations represent amounts given to the academy trust for specific capital purposes.

The Intangible Asset fund recognises the net book value of computer software additions purchased by the academy trust since conversion.

The Fixed Asset fund recognises the net book value of tangible and fixed assets transferred to the trust on conversion and additions since conversion.

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

Total funds analysis by academy

Fund balances at 31 August 2019/20 were allocated as follows:

| | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Cheney School | 60,366 | 266,517 |
| Bayards Hill | 11,840 | (4,158) |
| Barton Park | 26,441 | - |
| Central Services | (2,239) | - |
| Total before capital, fixed assets and pension reserve | 96,408 | 262,359 |
| Capital reserves | 357,384 | 366,570 |
| Intangible asset fund (representing net book value of fixed assets - note 13) | - | 9,726 |
| Fixed asset fund (representing net book value of fixed assets - note 14) | 29,313,151 | 29,706,336 |
| Pension reserve | (5,575,000) | (5,889,000) |
| Total funds | 24,191,943 | 24,455,991 |

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17 Funds (continued)

Total cost analysis by academy

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

| | | | | | 2019/20 | 2018/19 |
|---------------|--|---------------------------|---|--------------------------------------|-------------------|-------------------|
| | Teaching and educational support staff costs | Other support staff costs | Educational supplies (including all non staff direct costs) | Other costs (excluding depreciation) | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Cheney School | 6,701,316 | 1,045,250 | 387,186 | 1,279,002 | 9,412,754 | 9,429,915 |
| Bayards Hill | 1,378,345 | 299,637 | 73,328 | 400,800 | 2,152,110 | 2,118,492 |
| Barton Park | 11,330 | - | 28,788 | 16,896 | 57,014 | - |
| Central | 248,773 | 169,870 | 9,386 | (425,346) | 2,683 | (4,066) |
| | 8,339,764 | 1,514,757 | 498,688 | 1,271,352 | 11,624,561 | 11,544,341 |
| | Depreciation and amortisation | | | | 505,273 | 807,199 |
| | Other finance costs and pension costs | | | | 1,060,000 | 595,000 |
| | Note 7 | | | | 13,189,834 | 12,946,540 |

Comparative Funds

| | Balance at 1 September 2018 | Income | Expenditure | Gains, losses and transfer | Balance at 31 August 2019 |
|-------------------------------------|-----------------------------|-------------------|---------------------|----------------------------|---------------------------|
| | £ | £ | £ | £ | £ |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 8,764,134 | (9,601,116) | 836,982 | - |
| Pupil Premium funding | - | 630,345 | (630,345) | - | - |
| Other DfE funding | - | 88,164 | (114,024) | 25,860 | - |
| Local authority revenue funding | - | 140,585 | (140,585) | - | - |
| Early Years funding | - | 83,734 | (83,734) | - | - |
| Other restricted funds | - | 4,004 | (4,004) | - | - |
| Pension reserve (note 27) | (3,616,000) | - | (595,000) | (1,678,000) | (5,889,000) |
| | (3,616,000) | 9,710,966 | (11,168,808) | (815,158) | (5,889,000) |
| Restricted fixed asset funds | | | | | |
| Devolved Formula Capital | - | 129,740 | - | (129,740) | - |
| Condition Improvement Funding | 582,779 | 209,804 | (426,013) | - | 366,570 |
| Capital transferred on conversion | - | - | - | - | - |
| Capital donations | - | - | - | - | - |
| Intangible asset fund (note 13) | 19,473 | - | (9,747) | - | 9,726 |
| Fixed asset fund (note 14) | 30,403,400 | - | (797,452) | 100,388 | 29,706,336 |
| | 31,005,652 | 339,544 | (1,233,212) | (29,352) | 30,082,632 |
| Total restricted funds | 27,389,652 | 10,050,510 | (12,402,020) | (844,510) | 24,193,632 |
| Unrestricted funds | | | | | |
| Unrestricted funds | 832,564 | 807,785 | (544,500) | (833,490) | 262,359 |
| Total unrestricted funds | 832,564 | 807,785 | (544,500) | (833,490) | 262,359 |
| Total funds | 28,222,216 | 10,858,295 | (12,946,520) | (1,678,000) | 24,455,991 |

18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|---------------------|
| Intangible fixed assets | - | - | - | - |
| Tangible fixed assets | - | - | 29,313,151 | 29,313,151 |
| Current assets | 62,422 | 772,053 | 357,384 | 1,191,859 |
| Current liabilities | - | (738,067) | - | (738,067) |
| Pension Scheme liability | - | (5,575,000) | - | (5,575,000) |
| Total net assets | 62,422 | (5,541,014) | 29,670,535 | 24,191,943 |

Comparative analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|---------------------|
| Intangible fixed assets | - | - | 9,726 | 9,726 |
| Tangible fixed assets | - | - | 29,706,336 | 29,706,336 |
| Current assets | 262,359 | 812,353 | 366,570 | 1,441,282 |
| Current liabilities | - | (812,353) | - | (812,353) |
| Non-current liabilities | - | - | - | - |
| Pension Scheme liability | - | (5,889,000) | - | (5,889,000) |
| Total net assets | 262,359 | (5,889,000) | 30,082,632 | 24,455,991 |

19 Capital commitments

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

20 Commitments under operating leases

Operating leases

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

| | 2020 £ | 2019 £ |
|--|---------------|--------------|
| Amounts due within one year | 13,998 | 6,953 |
| Amounts due between one and five years | 36,213 | - |
| Amounts due after five years | - | - |
| | 50,211 | 6,953 |

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

| | 2019/20 | 2018/19 |
|--|------------------|------------------|
| | £ | £ |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (1,638,048) | (2,088,225) |
| Adjusted for: | | |
| Amortisation (note 13) | 9,726 | 9,747 |
| Depreciation (note 14) | 495,547 | 797,452 |
| Capital grants from DfE and other capital income | (530,404) | (339,544) |
| Interest receivable (note 6) | (442) | (902) |
| Defined benefit pension scheme cost less contributions payable (note 27) | 631,000 | 643,000 |
| Defined benefit pension scheme finance cost (note 27) | 429,000 | (48,000) |
| (Increase)/decrease in debtors | 166,989 | (55,568) |
| Increase/(decrease) in creditors | (74,286) | 150,537 |
| Net cash used in operating activities | (510,918) | (931,503) |

22 Cash flows from investing activities

| | 2019/20 | 2018/19 |
|--|----------------|----------------|
| | £ | £ |
| Dividends, interest and rents from investments | 442 | 902 |
| Purchase of tangible fixed assets | (102,362) | (100,388) |
| Capital grants from DfE Group | 530,404 | 339,544 |
| Net cash provided by investing activities | 428,484 | 240,058 |

23 Cash flows from financing activities

| | 2019/20 | 2018/19 |
|--|----------|----------|
| | £ | £ |
| Repayments of borrowing | - | - |
| Cash inflows from new borrowing | - | - |
| Net cash used in financing activities | - | - |

24 Analysis of cash and cash equivalents

| | At 1 Sept 2019 | Transfer on conversion | Cash flows | At 31 August 2020 |
|--|----------------|------------------------|-----------------|-------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 958,272 | - | (82,434) | 875,838 |
| Notice deposits (less than 12 months) | - | - | - | - |
| Total cash and cash equivalents | 958,272 | - | (82,434) | 875,838 |

25 Contingent liabilities

There are no contingent liabilities that require disclosure.

26 Members liability

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

27 Pension and similar obligations

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

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

No contributions were payable to the schemes at 31 August 2020 (2019: £151,000, which were included within other creditors).

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £1,059,621 (2019: £711,571).

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

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Under the definitions set out in FRS 102, the TPS is a 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.

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 £590,000 (2019: £598,000), of which employer's contributions totalled £441,000 (2019: £447,000) and employees' contributions totalled £149,000 (2019: £151,000). The agreed contribution rates for future years are 17.6% for employers and an average of 6.5% for employees. Annual deficit contributions of £86,000 are also currently payable.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy 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 | 3.65% | 3.80% |
| Rate of increase for pensions in payment / inflation | 2.15% | 2.40% |
| Discount rate for scheme liabilities | 1.90% | 1.80% |
| Inflation assumption (CPI) | 1.70% | 2.40% |
| Commutation of pensions to lump sums | 50.00% | 50.00% |

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

| | At 31 August 2020 | At 31 August 2019 |
|---------------------------|-------------------------|-------------------------|
| <i>Retiring today</i> | | |
| Males | 22.1 | 22.7 |
| Females | 24.0 | 24.3 |
| <i>Retiring in 20 yrs</i> | | |
| Males | 23.7 | 24.0 |
| Females | 25.8 | 25.7 |

Sensitivity Analysis - Effect on Scheme Liabilities

| | At 31 August 2020 £ | At 31 August 2019 £ |
|--|------------------------------|------------------------------|
| Present value of total obligation | | |
| Discount rate +0.1% | 11,244,000 | 11,304,000 |
| Discount rate -0.1% | 11,852,000 | 11,886,000 |
| Mortality assumption - 1 year increase | 11,456,000 | 11,502,000 |
| Mortality assumption - 1 year decrease | 11,640,000 | 11,688,000 |
| CPI rate +0.1% | 11,261,000 | 11,345,000 |
| CPI rate -0.1% | 11,835,000 | 11,845,000 |

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

| | Fair value at 31 August 2020 £ | Fair value at 31 August 2019 £ |
|-------------------------------------|---|---|
| Equities | 4,181,000 | 3,938,000 |
| Other bonds | 1,195,000 | 1,198,000 |
| Property | 358,000 | 342,000 |
| Cash | 239,000 | 228,000 |
| Total market value of assets | 5,973,000 | 5,706,000 |
| Present value of scheme liabilities | | |
| - Funded | (11,548,000) | (11,595,000) |
| Deficit in the scheme | (5,575,000) | (5,889,000) |

The actual return on scheme assets was £(119,460) (2018/19: £86,000).

Amounts recognised in the statement of financial activities

| | 2019/20 £ | 2018/19 £ |
|---|------------------|------------------|
| Current service cost | 1,067,000 | 1,090,000 |
| Past service cost | 5,000 | - |
| Net interest on the defined liability (asset) | 112,000 | 107,000 |
| Total amount recognised in the SOFA | 1,184,000 | 1,197,000 |

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

| | 2019/20 | 2018/19 |
|---|-------------------|-------------------|
| | £ | £ |
| At 1 September | 11,595,000 | 8,497,000 |
| Current service cost | 1,067,000 | 1,090,000 |
| Interest cost | 219,000 | 251,000 |
| Employee contributions | 149,000 | 151,000 |
| Actuarial (gain)/loss - financial assumption | (201,000) | 1,678,000 |
| Actuarial (gain)/loss - demographic assumption | (178,000) | - |
| Actuarial (gain)/loss - experience gains/losses | (995,000) | - |
| Estimated benefits paid net of transfers in | (113,000) | (72,000) |
| Past Service costs, including curtailments | 5,000 | - |
| At 31 August | 11,548,000 | 11,595,000 |

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

| | 2019/20 | 2018/19 |
|---|------------------|------------------|
| | £ | £ |
| At 1 September | 5,706,000 | 4,881,000 |
| Interest income | 107,000 | 144,000 |
| Return on plan assets (excluding net interest on the net defined pension liability) | (317,000) | 155,000 |
| Employer contributions | 441,000 | 447,000 |
| Employee contributions | 149,000 | 151,000 |
| Estimated benefits paid plus unfunded net of transfers in | (113,000) | (72,000) |
| At 31 August | 5,973,000 | 5,706,000 |

Reconciliation of opening and closing deficit

| | 2019/20 | | 2018/19 | |
|---------------------------------------|-------------|--------------------|-------------|--------------------|
| | £ | £ | £ | £ |
| Pension deficit at 1 September | | (5,889,000) | | (3,616,000) |
| Current service cost | (1,067,000) | | (1,090,000) | |
| Past service cost | (5,000) | | - | |
| Employer contributions | 441,000 | | 447,000 | |
| Additional pension cost | | (631,000) | | (643,000) |
| Other finance (gains) / costs | | (429,000) | | 48,000 |
| Actuarial gains/(losses) | | 1,374,000 | | (1,678,000) |
| Pension deficit at 31 August | | (5,575,000) | | (5,889,000) |

28 Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

29 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £25,276 (2019: £127,221) and disbursed £12,272 (2019: £21,346) from the fund. An amount of £44,226 (2019: £31,222) (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to ESFA.

30 Events after the balance sheet date

No significant events requiring disclosure here have been identified.