

Companies House

South Essex Alliance Multi-Academy Trust

Annual Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
8445314 (England and Wales)



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Reference and administrative information

Members	Mrs R Awan Mrs J Bamford Mr B Bezdel
Trustees	Mrs F Bissenden Mr A Davis Mr A Jacobson Mrs A Law Mr P Malcolm Rev D Oxtoby Mrs J Pickering Mrs P Whittle
Company Secretary	Mrs T Brunning
Senior Management Team	
Chief Executive Officer (CEO)	Mr P Malcolm
Headteacher (Rayleigh Primary School)	Mrs C Hockridge
Executive Headteacher (Wyburns Primary School and North Crescent Primary)	Mrs K Sansom
School Leader (North Crescent Primary School)	Mrs A Griffin
Business Manager	Mrs T Brunning (until 31 August 2020)
Registered address	Love Lane Rayleigh Essex SS6 7DD
Company registration number	8445314 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank 1 Legg St Chelmsford Essex CM1 1JS
Solicitors	Stone King Thirty Station Road Cambridge CB1 2RE

Trustees' report (including the strategic report) Year ended 31 August 2020

The Trustees of the South Essex Alliance Multi-Academy Trust (the 'Academy Trust') present their annual report together with the audited financial statements of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report for the purposes of charity law and a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 31 of the attached financial statements and comply with the Academy Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (company registration no. 8445314) and an exempt charity incorporated, on 14 March 2013. The Academy Trust's Memorandum and Articles of Association (dated 27 March 2013, as amended by special resolution dated 14 December 2017) and the funding agreement (executed on 27 March 2013 as amended on 20 December 2017) are the primary governing documents of the Academy Trust.

Members' liability

Every Member of the company undertakes to contribute such amount as may be required (not exceeding £10) to the company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a Member, for payment of the company's debts and liabilities before he or she ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Trustees' indemnities

As stated in the Academy Trust's Articles of Association (Clause 136): 'Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.'

The Academy Trust has an indemnity policy in place to cover the cost of any such claims up to a total of £5 million in any one year.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities

The Academy Trust's primary object, as set out in the Articles of Association is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The Academy Trust operates three schools, namely Rayleigh Primary School, North Crescent Primary School and Wyburns Primary School.

Trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees served throughout the year and up to the date of approval of this report except as shown:

Trustee	Appointed / Resigned
Mrs F Bissenden	Appointed 25 September 2019
Mr J Burton	Resigned 10 September 2019
Mr S Chapman	Resigned 24 October 2019
Mr A Davis	Appointed 25 September 2019
Mr N Freeman	Resigned 7 October 2019
Mr A Jacobson	Appointed 30 January 2020
Mrs A Law	Appointed 1 January 2018
Mr P Malcolm	Appointed 2 January 2018
Reverend D Oxtoby	Appointed 25 September 2019
Mrs J Pickering	Appointed 1 January 2018
Mrs H Robinson	Resigned 30 January 2020
Mrs P Whittle	Appointed 26 September 2019

Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association the Board of Trustees comprises as a minimum three Trustees: the Chief Executive Officer, up to ten Trustees appointed by the Members and a minimum of two Parent Trustees (unless a Local Governing Body is formed which includes two Parent Members).

Policies and procedures adopted for the induction and training of Trustees

All new Trustees receive a full induction on appointment. Regular training for Trustees is provided as appropriate including their role as Trustees of a charitable company.

Organisational structure

During the accounting period the Trustees continued to be the decision making body and have been responsible for setting the Academy Trust's strategic direction and for ensuring that the financial management of the Academy Trust meets all the legal requirements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

For the period covered by these financial statements, the Board of Trustees has delegated some of the responsibility for the running of the Academy Trust to the Local Governing Bodies of constituent schools within the Academy Trust known as Local School Boards.

The Trustees have also been responsible for developing and agreeing the Academy Trust's policies and for holding the management and leadership to account for the outcomes of each pupil. They have made all decisions on major items of expenditure; monitoring the overall financial position during 2019/20; and setting the 2020/21 budget.

During the accounting period, the Trustees have also been responsible for monitoring key aspects of the schools' performance such as progress and attainment of pupils; quality of teaching and behaviour and safety of pupils.

The Board of Trustees has two sub-committees – a Finance, Resources and Audit Committee and an Education & Standards Committee. Further details are provided in the Governance Statement forming part of this annual report.

The Chief Executive Officer has overall responsibility for the strategic and operational direction of the Academy Trust. He is responsible as Accounting Officer to central government in terms of operational and educational attainment, standards and services for the Academy Trust.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy Trust responsible for directing and controlling the Academy Trust comprise the Trustees together with the Senior Management Team (listed on page 1). Trustees are not remunerated for their services as trustees of the Academy Trust. However, the Chief Executive Officer is remunerated in his capacity as an employee of the Academy Trust.

The Academy Trust adopts the recommended pay scales from the Local Authority in determining the remuneration of all staff. These pay scales are ratified by the Trustees. Performance reviews of the Headteachers and the Business Manager is undertaken by the Chief Executive Officer. The Trustees undertake a performance review of the CEO.

Trade union facility time

No employees of the Academy Trust were relevant union officials during the relevant period.

Connected organisations

Rayleigh Primary School is the designated Teaching School for the South Essex Teaching Institute. This organisation is a partnership of the schools in the Rayleigh and Rochford Districts and some other schools in the surrounding area. These consist of:

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations (continued)

1. Down Hall Primary School
2. Edward Francis Primary School
3. Fitzwimarc School
4. Glebe Primary School and Unit for Hearing Impaired
5. Grovewood Primary
6. Hockley Primary School
7. Holt Farm Infant School
8. Holt Farm Junior School
9. Montgomery Primary School
10. North Crescent Primary School
11. Our Lady of Ransom Catholic Primary School
12. Plumberow Primary School
13. Rayleigh Primary School
14. Riverside Primary School
15. St Nicolas' CofE Primary School
16. St Teresa's Catholic Primary School
17. Swayne Park School
18. Vange Primary School
19. Westerings Primary School
20. William Reed Primary School
21. Wyburns Primary School

This work is based upon the concept that Rayleigh Primary School does not sit at the centre as an expert but acts as a portal to bid for funding and recognition for the area's whole school improvement initiatives.

OBJECTIVES AND ACTIVITIES

Public benefit

In setting the Academy Trust's objectives and planning its activities, the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit.

Objects and aims

The Academy Trust's primary object, as set out in the Articles of Association is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. During the period under review, the Academy Trust operated three schools, namely Rayleigh Primary School, Wyburns Primary School and North Crescent Primary School.

OBJECTIVES AND ACTIVITIES

Objects and aims (continued)

South Essex Multi-Academy Trust maintains in its ambition to be at the cutting edge of educational success developing online resources, working in partnerships both locally and across Europe. It intends for all its staff and those that join the teaching school alliance to invest in research to determine the best ways of ensuring every child succeeds. By investing in developing new systems it reduces teacher workload attracting the best staff to ensure its children always receive the highest standard of education.

Its focus on personnel will continue with potential restructuring when necessary to ensure the right people are carrying out tasks they are best placed to perform. This includes reviewing the number of specialists within the schools in marginalised subjects such as Dance and Drama. It also includes reviewing how special educational needs and disability are managed so specialised staff are not spending time completing paperwork that can be handled by others.

STRATEGIC REPORT

Achievements and performance

The Academy Trust has reached the point where it is realigning to the latest expectations for governance. Having harmonised policy and procedures between the three schools it is ready to take the next step in considering efficiency across the multi-academy trust. This involves peer review across the schools carried out by named staff and trustees.

Academically, in 2019/20, Rayleigh Primary School managed a significantly challenging cohort. The investment in a Family Support Worker aided many children to develop positive self-esteem for which many families were grateful. Progress for these children was evident even though many missed obtaining the required level in national examinations.

Wyburns Primary School maintained its standards focussed on children showing progress over time.

Leadership of the Academy Trust began work on the harmonisation of policies and procedures across the MAT. The first year monitoring of such work reflected the need for significant change, particularly in relation to finance and governance. This work has now been completed.

Families in the local community understand the partnership between the three schools and all schools remain popular. Breakfast and After School Club places are taken up by a wide range of children. North Crescent approached the Local Authority about opening a specialist facility for children with autism but the Local Authority failed to respond. The school is now working on strengthening its relationship in terms of the special needs provision.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Staffing

Staffing remains stable across the Academy Trust, but in keeping with funding concerns the Trust is examining the positions of Learning Support Assistants. This work will be completed in 2020 in keeping with HR advice. The Academy Trust is now examining posts across the multi-academy trust following the review of needs that has taken place.

Curriculum

Our curriculum is based upon the UNICEF Rights Respecting School Award, The International Award and Learner First. These three act as a triumvirate engendering learning through positive social education. As this continues to impact at North Crescent we expect continued improvement in learning.

Governance and additional schools

The Trustee Board has reviewed how it operates and has re-structured itself to fall more in line with the best practice arrangements for multi-academy trusts (MAT). This means the roles of Members, Trustees and the Local Governing Bodies are more clearly defined with limited overlap. A new Chair of Trustees was appointed with the remit of re-examining the latest legal frameworks for clarity and building the structure for continued growth.

Financial review

Results for the year

The results for the period are shown on page 22.

Total income for the year ended 31 August 2020 amounted to £4,661,000 (2019 – £4,443,000). The bulk of income was receivable from the Education and Skills Funding Agency (ESFA), an agency of the Department for Education, the use of which is restricted to particular educational purposes. The grants received from the ESFA in the year ended 31 August 2020 and the associated expenditure are shown as restricted fund movements in the statement of financial activities.

Total expenditure for the year ended 31 August 2020 (after depreciation and adjustments in respect of the Local Government Pension Scheme (LGPS) liability) was £4,856,000 (2019 – £4,640,000). Net expenditure for the year (before actuarial losses on the pension scheme) was therefore £195,000 (2019 – net expenditure of £197,000). After accounting for the actuarial loss on defined benefit pension scheme of £91,000 (2019 – loss of £319,000) the overall net decrease in fund balances was £286,000 (2019 – decrease of £516,000).

STRATEGIC REPORT (continued)

Financial review (continued)

Results for the year (continued)

Operationally, excluding movements on the restricted fixed assets fund, one-off income earned on the conversion of new schools, and any accounting adjustments made in respect of the defined benefit pension scheme, the operational surplus for the year was £40,000 (2019 – operational surplus of £111,000).

Financial position

The financial position of the Academy Trust as at the reporting date is shown on page 23.

The Academy Trust held total fund balances at 31 August 2020 of £13,075,000 (2019 – £13,361,000). This balance includes a restricted fixed assets fund balance totalling £15,071,000 (2019 – £14,945,000) and a deficit pension reserve of £2,662,000 (2019 – £2,290,000). The amounts represent the carrying value of the Academy Trust's tangible fixed assets necessary for the day-to-day operation of the Academy Trust and the Academy Trust's estimated share of the deficit in the Local Government Pension Scheme made available to support staff.

The Academy Trust held no restricted revenue reserves at the end of the year (2019 – £nil). Unrestricted revenue funds of £666,000 (2019 – £706,000) were held at the balance sheet date. These are the fund balances which are considered to be available to the Academy Trust to meet working capital requirements.

Reserves policy

The Trustees have reviewed the reserves of the Academy Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The Trustees are satisfied that the current level of reserves held by the Academy Trust is sufficient to fund future capital projects along with the day-to-day operation of the Academy Trust.

With respect to the LGPS deficit, the Trustees acknowledge that the Academy Trust will not be liable for a lump sum and any cash flows as a result of this deficit will occur over a number of years. In addition, Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

STRATEGIC REPORT (continued)

Financial review (continued)

Going concern

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

Investment policy

Cash balances are monitored by Trust Board to ensure that adequate cash resources are available to meet future operational commitments and contingencies whilst ensuring that returns are maximised on surplus funds, for example, through investment in short term deposits. The Academy Trust does not invest surplus funds in listed or medium and high risk investments.

Fundraising activity

The Academy Trust did not actively engage in fundraising activities during the year (by way of appeals, collections, or otherwise seeking donations). The Trustees therefore do not consider that they are obliged to take account of regulations or best practice guidance notes for this area covered by the Charities (Protection and Social Investment) Act 2016.

Principal risks and uncertainties

The Academy Trust maintains a risk register that is reviewed on an ongoing basis. This is included as an agenda item at each Board meeting for discussion and monitoring. A risk dashboard has been created that examines the severity of each risk and how the academy is mitigating those risks.

Succession planning for the Trust has been identified as a significant risk and the trustees are working on a plan to mitigate this risk. Funding continues to be a risk identified by the Trustees as staff costs increase year on year which is not matched by the same increases in funding. Health and safety compliance has also been identified however this is mitigated by regular checks by the site team and oversight by an external health and safety consultant.

STRATEGIC REPORT (continued)

Plans for future periods

The Academy Trust like others in the sector must continue to focus upon the practicalities of the raised standards of the National Curriculum. The national agenda of moving resources to 'Hub' schools rather than Teaching Schools is changing the school system. Imperatives such as Mastery in Maths, systemised literacy and curriculum reform have created unprecedented uncertainty within the sector which the MAT must resolve. The dip in outcomes seen in 2019 requires the MAT to address national examination performance within this climate. The inevitable outcome of our review in 2019 has been the need for new posts and professional development across the MAT.

The Teaching School has reached a critical period as it is unlikely to continue. Within Essex, Teaching School partnerships are beginning to try and maximise work as there is not enough demand to run courses. The application of three larger Teaching Schools to become a Teaching School Hub will have significant impact upon the number of Teaching Schools that can survive.

AUDITOR

In so far as the Trustees are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ 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 and signed on its behalf by:



P Whittle
Chair of Trustees

Date: 29/1/21

Scope of responsibility

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

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

Governance

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

The information on governance included below supplements the information contained in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met eight (2019: five) times during the year. Attendance at the meetings of the Board of Trustees during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F Bissenden (Appointed 25.09.20)	5	8
Mr J Burton (Resigned 10.09.20)	-	-
Mr S Chapman (Resigned 25.09.20)	-	1
Mr A Davis (Appointed 26.09.19)	6	8
Mr N Freeman (Resigned 07.10.19)	1	1
Mr A Jacobson (Appointed 30.01.20)	4	5
Mrs A Law	8	8
Mr P Malcolm	8	8
Rev D Oxtoby (Appointed 25.09.19)	5	8
Mrs J Pickering	7	8
Mrs H Robinson (Resigned 30.01.20)	3	3
Mrs P Whittle	8	8

Governance review

During the year of report, Academy Trust-wide finance related matters were considered and decided on directly by the Board of Trustees.

The Board of Trustees formally established a separate Audit & Finance Committee, a sub-committee of the main Board. Its remit is to approve the Academy Trust's annual budget and monitor actual expenditure to budget throughout the year. Significant items of capital and revenue expenditure are reviewed by this Committee and recommended to the Board of Trustees for approval. It is also responsible for considering audit related matters including external and internal audit reports.

Governance (continued)

Governance review (continued)

The Trustees are of the opinion that that they have been able to maintain sufficient oversight of the Academy Trust's finances particularly through the support of the Audit & Finance Committee. The purpose of this sub-committee is to assist the decision-making of the full Board of Trustees by enabling more detailed consideration of the Academy Trust's finances and resources. The Committee draws any matters of significance or concern to the attention of the full Board of Trustees.

Membership of the Audit & Finance Committee currently comprises:

Committee member	Meetings attended	Out of a possible
Adam Davis	4	4
Anthony Jacobson	3	4
Reverend David Oxtoby	4	4
Paula Whittle	3	4

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the 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 and improved value for money during the year by:

- ◆ Continually looking at the staffing profile in each of the schools to ensure the most efficient structure is in place;
- ◆ Carrying out a review of the ICT support for the Management Information Systems and changing provider;
- ◆ Starting to investigate the possibility of negotiating new contracts for curriculum supplies such as paper to make cost savings; and
- ◆ Beginning to review how site teams work together when possible to achieve economies of scale and best practice.

Unfortunately, the restrictions resulting from the COVID-19 pandemic severely limited the work and this has now been deferred to the academic year 2020-21.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 at the Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees and governors;
- ◆ regular reviews by the Trust Board 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; and
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Buzzacott LLP, the external auditor, to perform additional checks during the reporting period. As a result of the FRC ethical guidance the Academy Trust will need to reconsider the internal audit function as this can no longer be conducted by Buzzacott. For the period of report, the Academy's external auditor has documented and tested the implementation of the key financial controls designed and utilised by the Academy Trust.

The risk and control framework (continued)

In particular this included:

- ♦ testing of the payroll systems;
- ♦ testing of the procurement systems;
- ♦ testing of control account / bank reconciliations; and
- ♦ testing of ESFA and non-ESFA income items.

The work was delivered to plan and no material weaknesses were identified.

Review of effectiveness

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

- ♦ the work of the external auditor including key financial control checks;
- ♦ the financial management and governance self-assessment process;
- ♦ the work of the Senior Management Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Trust Board of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

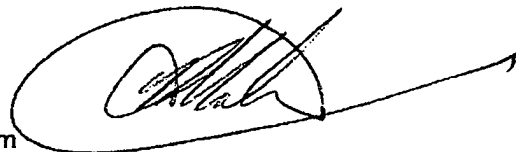
Approved by order of the Board of Trustees and signed on its behalf by:



P Whittle
Chair of Trustees

Approved on:

29/1/21



P Malcolm
Chief Executive Officer and Accounting Officer

29 Jan 2021

Statement on regularity, propriety and compliance 31 August 2020

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

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

P Malcolm
Accounting Officer



Date:

29 Jan 2021

Statement of Trustees' responsibilities 31 August 2020

The Trustees, who are also the directors of the South Essex Alliance Multi-Academy Trust (the 'Academy Trust') for the purposes of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust and of 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 FRS 102 and the Academies Accounts Direction 2019 to 2020;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust 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 Academy Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust'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 Board of Trustees and signed on its behalf by:

P Whittle
Chair of Trustees



Date:

29/1/21

Independent auditor's report on the financial statements to the members of South Essex Alliance Multi-Academy Trust

We have audited the financial statements of South Essex Alliance Multi-Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities' SORP FRS 102) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities' SORP FRS 102 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report which is also the directors' report for the purposes of company law and includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report which is also the directors' report for the purposes of company law and includes the strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records or 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, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 29 January 2021

Katharine Patel (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's assurance report on regularity to South Essex Alliance Multi-Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 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 South Essex Alliance Multi-Academy Trust (the 'Academy Trust') during the period from 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 the Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education 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 from 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.

Independent reporting accountant's assurance report on regularity 31 August 2020

Approach (continued)

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 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.



Date: 29 January 2021

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year ended 31 August 2020
(including income and expenditure account)

			Restricted funds		Year ended 31 August 2020 Total funds £'000	Year ended 31 August 2019 Total funds £'000
	Notes	Unrestricted general fund £'000	General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	26	—	208	234	103
Other trading activities	2	277	—	—	277	380
Charitable activities						
. Funding for the Academy Trust's educational operations	3	5	4,105	—	4,110	3,920
. Teaching Schools	20	—	40	—	40	40
Total income		308	4,145	208	4,661	4,443
Expenditure on:						
Raising funds		97	—	—	97	135
Charitable activities						
. Academy Trust's educational operations	5	—	4,478	241	4,719	4,465
. Teaching Schools	20, 5	—	40	—	40	40
Total expenditure	4	97	4,518	241	4,856	4,640
Net income (expenditure) before transfers		211	(373)	(33)	(195)	(197)
Transfers between funds	15	(251)	92	159	—	—
Net (expenditure) income		(40)	(281)	126	(195)	(197)
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	18	—	(91)	—	(91)	(319)
Net movement in funds		(40)	(372)	126	(286)	(516)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		706	(2,290)	14,945	13,361	13,877
Total fund balances carried forward at 31 August 2020		666	(2,662)	15,071	13,075	13,361

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible fixed assets	12		15,071		14,945
Current assets					
Debtors	13	269		190	
Cash at bank and in hand		971		780	
		1,240		970	
Liabilities					
Creditors: amounts falling due within one year	14a	(499)		(264)	
Net current assets			741		706
Total assets less current liabilities			15,812		15,651
Creditors: amounts falling due after more than one year	14b		(75)		—
Net assets excluding pension scheme liability			15,737		15,651
Pension scheme liability	18		(2,662)		(2,290)
Total net assets			13,075		13,361
Restricted funds					
Fixed assets fund	15		15,071		14,945
Restricted general funds	15		—		—
Pension reserve	15		(2,662)		(2,290)
Total restricted funds			12,409		12,655
Unrestricted funds					
Unrestricted general funds	15		666		706
Total funds			13,075		13,361

The financial statements on page 22 to 49 were approved by the Board of Trustees and are signed on their behalf by:



P Whittle
Chair of Trustees

Date: 29/1/21

South Essex Alliance Multi-Academy Trust
Company Limited by Guarantee
Registration Number: 8445314 (England and Wales)

Statement of cash flows Year ended 31 August 2020

		Year to 31 August 2020 £'000	Year to 31 August 2019 £'000
Net cash flows from operating activities			
Net cash provided by operating activities	A	280	99
Net cash flows from investing activities	B	(164)	(41)
Net cash flow from financing activities	C	75	—
Change in cash and cash equivalents in the year		191	58
Cash and cash equivalents at 1 September 2019		780	722
Cash and cash equivalents at 31 August 2020	D	971	780
A Reconciliation of net (expenditure) income to net cash provided by operating activities			
		Year to 31 August 2020 £'000	Year to 31 August 2019 £'000
Net (expenditure) income for the year (as per the statement of financial activities)		(195)	(197)
Adjusted for:			
Depreciation charges (note 12)		241	208
Capital grants from DfE/ESFA and other capital income		(208)	(89)
Loss on disposal of tangible fixed assets		5	—
Defined benefit pension scheme service cost adjustment (note 18)		242	192
Defined benefit pension scheme finance cost adjustment (note 18)		39	40
(Decrease) increase in debtors		(79)	193
Increase (decrease) in creditors		235	(246)
Net cash provided by operating activities		280	99
B Cash flows from investing activities			
		Year to 31 August 2020 £'000	Year to 31 August 2019 £'000
Purchase of tangible fixed assets		(372)	(130)
Capital grants from DfE/ESFA and other capital income		208	89
Net cash used in investing activities		(164)	(41)
C Cash flows from financing activities			
		Year to 31 August 2020 £'000	Year to 31 August 2019 £'000
Receipt of Salix and CIF loans		75	—
Net cash provided by financing activities		75	—

Statement of cash flows Year ended 31 August 2020

D Analysis of cash and cash equivalents

	Year to 31 August 2020 £'000	Year to 31 August 2019 £'000
Cash at bank and in hand	971	780
Total cash and cash equivalents	971	780

E Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash	780	191	971
Loans falling due after more than one year	—	(75)	(75)
Total net debt	780	116	896

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 South Essex Alliance Multi-Academy Trust (the 'Academy Trust') 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), 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.

The South Essex Alliance Multi-Academy Trust meets the definition of a public benefit entity under FRS 102. The financial statements have been presented in Sterling to the nearest pound.

Going concern

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

In forming this assessment, the Trustees have considered the impact of the current Coronavirus pandemic on the Academy Trust, with a particular focus on its effect on the Academy Trust's financial position including its income, expenditure and reserves; its beneficiaries, and its employees. Whilst the Trustees acknowledge the disruption caused by the pandemic to the Academy Trust's day-to-day operations, they do not consider this to be cause for material uncertainty in respect of the Academy Trust's ability to continue as a going concern.

Income

All income is 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.

The 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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.

Transfers on conversion

Where assets and liabilities are received by the Academy Trust on the conversion of a school to an academy, the assets and liabilities inherited from the relevant Local Authority are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

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.

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.

Expenditure (continued)

Expenditure on raising funds

These are costs incurred in attracting voluntary or other income for the Academy Trust such as through the hire of facilities, the provision of clubs and activities.

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.

Expenditure is stated net of recoverable VAT.

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.

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 on the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to the restricted fixed assets fund in the statement of financial activities and carried forward on the balance sheet. Depreciation on such assets is charged to the restricted fixed assets fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

♦ Freehold buildings	2% per annum
♦ Long leasehold buildings	2% per annum
♦ Building improvements	4% to 10% per annum
♦ Fixtures, fittings and equipment	20% to 33% per annum

Depreciation is charged from the month of acquisition. Freehold land is not depreciated.

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

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. Long term liabilities are discounted to the present value of the future cash payment where such discounting is material.

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.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pensions benefits

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

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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

Fund accounting (continued)

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Essex County Council.

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.

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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.
- ◆ The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets.

Notes to the financial statements Year ended 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
2020				
Capital grants	—	208	208	89
Other donations	26	—	26	14
	<u>26</u>	<u>208</u>	<u>234</u>	<u>103</u>

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
2019			
Capital grants	—	89	89
Other donations	14	—	14
	<u>14</u>	<u>89</u>	<u>103</u>

2 Other trading activities

	Unrestricted funds	
	2020 £'000	2019 £'000
Hire of facilities	47	51
Trips and club income	87	155
Catering income	43	75
Miscellaneous income	100	99
	<u>277</u>	<u>380</u>

3 Funding for Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
2020				
DfE/ESFA grants				
. General Annual Grant (GAG)	—	3,233	3,233	3,201
. Other DfE/ESFA grants	—	416	416	303
. Teaching Schools grants (non-core)	—	7	7	5
	—	3,656	3,656	3,509
Other Government grants				
. Local authority grants	—	419	419	411
	—	419	419	411
Exceptional funding				
. Coronavirus exceptional government support	—	10	10	—
. Other coronavirus funding	—	20	20	—
	—	30	30	—
Other income from the Academy Trust's educational operations	5	—	5	—
	5	4,105	4,110	3,920

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 £10,423 with the majority of the costs relating to cleaning, sanitisation and PPE at North Crescent Primary School. These costs are included in notes 4 and 5 below as appropriate.

Rayleigh Primary School received £10,000 from The National Lottery to help provide support services for children and their families within the local community. A further £10,000 was received by Rayleigh Primary School from Essex County Council to part cover the lost revenues from the closure of the outdoor swimming pool. These amounts are included within "other coronavirus funding" above.

3 Funding for Academy Trust's educational operations

2019	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
DfE/ESFA grants			
. General Annual Grant (GAG)	—	3,201	3,201
. Other DfE/ESFA grants	—	303	303
. Teaching Schools grants	—	5	5
	<u>—</u>	<u>3,509</u>	<u>3,509</u>
Other Government grants			
. Local authority grants	—	411	411
	<u>—</u>	<u>411</u>	<u>411</u>
	<u>—</u>	<u>3,920</u>	<u>3,920</u>

4 Analysis to total expenditure

	Staff costs (note 7) £'000	Non pay expenditure		2020 Total £'000	2019 Total £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds					
. Direct costs	—	—	68	68	95
. Allocated support costs	19	7	3	29	40
	<u>19</u>	<u>7</u>	<u>71</u>	<u>97</u>	<u>135</u>
Academy's educational operations					
. Direct costs	2,693	241	360	3,294	3,146
. Allocated support costs	896	344	185	1,425	1,319
Teaching Schools (note 20)	40	—	—	40	40
	<u>3,648</u>	<u>592</u>	<u>616</u>	<u>4,856</u>	<u>4,640</u>
Net (expenditure) income for the year includes:					
Operating lease rentals				5	5
Depreciation				241	208
Fees payable to auditor					
. Audit and assurance				24	22

Notes to the financial statements Year ended 31 August 2020

5 Charitable activities

	2020 Total £'000	2019 Total £'000
Academy's educational operations		
Direct costs	3,294	3,146
Support costs	1,425	1,319
	4,719	4,465
Teaching schools	40	40
	4,759	4,505

	2020 Total £'000	2019 Total £'000
Analysis of support costs		
Support staff costs	915	851
Technology costs	6	—
Premises costs	351	332
Legal costs	5	—
Other support costs	153	154
Governance costs	24	22
Total support costs	1,454	1,359

6 Comparative Information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted funds		Year ended 31 August 2019 Total funds £'000
		General £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	14	—	89	103
Other trading activities	380	—	—	380
Charitable activities				
. Funding for the Academy Trust's educational operations	—	3,920	—	3,920
. Teaching Schools	—	40	—	40
Total income	394	3,960	89	4,443
Expenditure on:				
Raising funds	135	—	—	135
Charitable activities				
. Academy Trust's educational operations	—	4,257	208	4,465
. Teaching Schools	—	40	—	40
Total expenditure	135	4,297	208	4,640
Net income (expenditure) before transfers	259	(337)	(119)	(197)
Transfers between funds	(6)	(35)	41	—
Net income (expenditure)	253	(372)	(78)	(197)
Other recognised gains and losses				
Actuarial losses on defined benefit pension scheme	—	(319)	—	(319)
Net movement in funds	253	(691)	(78)	(516)
Reconciliation of funds				
Total fund balances brought forward at 1 September 2018	453	(1,599)	15,023	13,877
Total fund balances carried forward at 31 August 2019	706	(2,290)	14,945	13,361

7 Staff costs

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	2,615	2,621
Social security costs	199	191
Pension costs	831	660
	3,645	3,472
Supply staff costs	3	19
	3,648	3,491

(b) Staff severance payments

No staff severance payment was made during the year (2019 – none).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	38	42
Administration and support	123	133
Management	9	6
	170	181

(d) Higher paid staff

The number of employees whose actual emoluments fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	—	2
£70,001 - £80,000	1	—

(e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees, the School Business Manager and the Heads of each of the three schools. The total amount of employee benefits payable (including employer pension contributions and employer social security costs) in respect of key management personnel for their services to the Academy Trust was £361,470 (2019 - £299,486).

8 Trustees' remuneration and expenses

The Chief Executive Officer (CEO) of the Academy Trust, who is also the Headteacher of Rayleigh Primary School is a Trustee of the Academy Trust. The CEO only receives remuneration in respect of services he provides undertaking the role of CEO and Headteacher, and not in respect to his services as a Trustee of the Academy Trust. No other Trustee received any remuneration. The value of CEO's remuneration and other benefits on an annualised basis was as follows:

	2020 £	2019 £
Mr P Malcolm (Chief Executive Officer and Headteacher)		
. Remuneration	45k – 50k	60k – 65k
. Employer's pension contributions	10k – 15k	5k – 10k

During the year ended 31 August 2019, travel or subsistence expenses totalling £211 was reimbursed to one Trustee. There were no such transactions for the year ended 31 August 2020. Other related party transactions are set out in notes 9 and 19.

9 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5 million on any one claim. The trustees and officers component of the insurance forms part of a policy for Rayleigh Primary School. The cost of the combined cover for the year ended 31 August 2020 was £8,582.

10 Central services

Central services are provided to constituent schools within The Academy Trust through Rayleigh Primary School. All central expenditure is initially settled by Rayleigh Primary School, which in turn recharges the remaining schools in order to recover an appropriate share of the cost borne by the school. The following central services were provided during the year to 31 August 2020:

- Financial support services;
- Legal and professional support services;
- Health and Safety; and
- IT support.

The actual cost of each service is shared between the schools within the Academy Trust on a per pupil basis. The actual amounts recharged by Rayleigh Primary School to other schools within the Academy Trust were as follows:

	2020 £	2019 £
North Crescent Primary School	25,770	12,900
Wyburns Primary School	26,434	12,900
	52,204	25,800

11 Analysis of expenditure by school

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

	Teaching and Educational Support Staff costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding dep'n £'000	Total 2020 £'000	Total 2019 £'000
Rayleigh Primary School	1,322	470	110	343	2,245	2,192
Wyburns Primary School	734	229	82	143	1,188	1,172
North Crescent Primary School	675	221	64	222	1,182	1,068
	2,731	920	256	708	4,615	4,432

12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold buildings £'000	Building improvements £'000	Furniture and equipment £'000	Total funds £'000
Cost					
At 1 September 2019	12,401	2,049	960	202	15,612
Additions	—	—	322	50	372
Disposals	—	—	(5)	—	(5)
At 31 August 2020	12,401	2,049	1,277	252	15,979
Depreciation					
At 1 September 2019	162	263	122	120	667
Charge in year	99	41	56	45	241
At 31 August 2020	261	304	178	165	908
Net book value					
At 31 August 2020	12,140	1,745	1,099	87	15,071
At 31 August 2019	12,239	1,786	838	82	14,945

At 31 August 2020, the Academy Trust had capital commitments of £419,000 in respect of work contracted for but not delivered by the balance sheet date (2019 – £17,136).

Notes to the financial statements Year ended 31 August 2020

13 Debtors

	2020 £'000	2019 £'000
Trade debtors	8	7
Prepayments and accrued income	168	141
VAT recoverable	93	42
	269	190

14 (a) Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	134	26
Taxation and social security	45	46
Other creditors	67	56
Accruals and deferred income	253	136
	499	264
Deferred Income (Included above)		
Deferred income at 1 September 2019	84	81
Released during the year	(84)	(81)
Resources deferred in the year	119	84
Deferred income at 31 August 2020	119	84

Deferred income at 31 August 2020, in the main, relates to funding received in the reporting period from the Education and Skills Funding Agency for Universal Infant Free School Meals income. This was specifically received for the 2020/21 academic year. In addition, the balance includes income received in advance from Essex County Council in respect for the provision of Nursery services for the 2020/21 autumn term.

14 (b) Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Salix loan	54	—
Conditions Improvement Fund (CIF) loan	21	—
	75	—
Loan maturity		
Amounts falling due in more than one year, but less than two years	9	—
Amounts falling due in more than two years, but less than five years	28	—
Amounts falling due in more than five years	38	—
	75	—

The above loans have been provided to support capital improvement works at Rayleigh Primary School. The Salix loan is repayable over a period of eight years beginning from the 2021/22 financial year. The loan is interest free. The CIF Loan is repayable over a period of ten years also beginning from the 2021/22 financial year. This is a low interest loan offered at the Public Works Loan Board rates of interest.

15 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	—	3,233	(3,325)	92	—
Pupil Premium	—	246	(246)	—	—
Other DfE / ESFA grants	—	217	(217)	—	—
Local authority grants	—	419	(419)	—	—
Other grants and donations	—	30	(30)	—	—
Pension reserve	(2,290)	—	(281)	(91)	(2,662)
	<u>(2,290)</u>	<u>4,145</u>	<u>(4,518)</u>	<u>1</u>	<u>(2,662)</u>
Restricted fixed assets fund					
Transfer on conversion	14,091	—	(140)	—	13,951
DfE / ESFA capital grants	542	208	(62)	—	688
Capital expenditure from GAG	312	—	(39)	159	432
	<u>14,945</u>	<u>208</u>	<u>(241)</u>	<u>159</u>	<u>15,071</u>
Unrestricted funds					
General funds	706	308	(97)	(251)	666
	<u>706</u>	<u>308</u>	<u>(97)</u>	<u>(251)</u>	<u>666</u>
Total funds	<u>13,361</u>	<u>4,661</u>	<u>(4,856)</u>	<u>(91)</u>	<u>13,075</u>

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

Restricted general funds***General Annual Grant (GAG)***

The GAG is provided by the Secretary of State through the Education and Skills Funding Agency (ESFA) to cover the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at the year end date.

Transfers from GAG to the fixed assets fund represent the utilisation of GAG to help fund the purchase of the Academy Trust's tangible fixed assets.

Other DfE/ESFA revenue grants

This fund comprises other revenue grants received from the Education and Skills Funding Agency which are provided for specific purposes and includes the Pupil Premium grant which is provided to support disadvantaged children from low-income families.

15 Funds (continued)

Restricted general funds (continued)

Pension reserve

The pension reserve relates to the deficit on the Academy Trust's share of the Local Government Pension Scheme liability for support staff. Whilst the fund is currently in deficit, the liability is not expected to crystallise in the short-term.

Fixed assets fund

These funds relate to the Academy Trust's holding of tangible fixed assets, predominantly the buildings occupied by the Academy Trust.

Analysis of fund balance by school

Fund balances at 31 August 2020 were as follows:

	2020 £'000	2019 £'000
Rayleigh Primary School	450	422
Wyburns Primary School	194	151
North Crescent Primary School	97	133
Total before long term liabilities	741	706
Long term liabilities	(75)	—
Total before fixed assets and pension reserve	666	706
 Restricted fixed asset fund	 15,071	 14,945
Pension reserve	(2,662)	(2,290)
Total	13,075	13,361

Notes to the financial statements Year ended 31 August 2020

15 Funds (continued)

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	142	3,201	(3,308)	(35)	—
Pupil Premium	—	250	(250)	—	—
Other DfE / ESFA grants	—	98	(98)	—	—
Local authority grants	—	411	(411)	—	—
Pension reserve	(1,741)	—	(230)	(319)	(2,290)
	<u>(1,599)</u>	<u>3,960</u>	<u>(4,297)</u>	<u>(354)</u>	<u>(2,290)</u>
Restricted fixed assets fund					
Transfer on conversion	14,204	—	(113)	—	14,091
DfE / ESFA capital grants	513	89	(60)	—	542
Capital expenditure from GAG	306	—	(35)	41	312
	<u>15,023</u>	<u>89</u>	<u>(208)</u>	<u>41</u>	<u>14,945</u>
Unrestricted funds					
General funds	453	394	(135)	(6)	706
	<u>453</u>	<u>394</u>	<u>(135)</u>	<u>(6)</u>	<u>706</u>
Total funds	<u>13,877</u>	<u>4,443</u>	<u>(4,640)</u>	<u>(319)</u>	<u>13,361</u>

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	15,071	15,071
Current assets	666	574	—	1,240
Current liabilities	—	(499)	—	(499)
Non-current liabilities	—	(75)	—	(75)
Pension scheme liability	—	(2,662)	—	(2,662)
Total net assets	<u>666</u>	<u>(2,662)</u>	<u>15,071</u>	<u>13,075</u>

16 Analysis of net assets between funds (continued)

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
<i>Fund balances at 31 August 2019 were represented by:</i>				
<i>Tangible fixed assets</i>	—	—	14,945	14,945
<i>Current assets</i>	706	264	—	970
<i>Current liabilities</i>	—	(264)	—	(264)
<i>Pension scheme liability</i>	—	(2,290)	—	(2,290)
<i>Total net assets</i>	<u>706</u>	<u>(2,290)</u>	<u>14,945</u>	<u>13,361</u>

17 Financial commitments

Operating leases

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

	2020 £'000	2019 £'000
Amounts due within one year	4	5
Amounts due between two and five years inclusive	—	4
	<u>4</u>	<u>9</u>

18 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 the Essex Pension Fund. 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 related to the period ended 31 March 2019.

Contributions amounting to £67,186 were payable to the schemes at 31 August 2020 (2019 – £55,894) and are included within creditors.

Teachers' Pension Scheme

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

18 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

Valuation of the Teachers' Pension Scheme

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

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ 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 employer's pension costs paid to TPS in the period amounted to £477,000 (2019 – £244,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

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

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £300,000 (2019 – £287,000), of which employer's contributions totalled £238,000 (2019 – £226,000) and employees' contributions totalled £62,000 (2019 – £61,000).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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	3.2%	3.7%
Rate of increase for pensions	2.2%	2.2%
Discount rate for scheme liabilities	1.6%	1.9%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23.0
Females	25.2	25.4

The approximate change in the Academy Trust's overall pension liability as a result of changes in the principal actuarial assumptions would be as follows:

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.1%	(120)	(96)
Discount rate -0.1%	123	98
Mortality assumption – 1 year increase	162	132
Mortality assumption – 1 year decrease	(157)	(127)

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy's share of the assets in the scheme and the present value of scheme liabilities were as follows:

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	1,207	887
Gilts	83	77
Corporate bonds	109	80
Property	152	112
Cash and other liquid assets	53	41
Alternative assets	226	138
Other managed funds	118	72
Total market value of assets	1,948	1,407

	2020 £'000	2019 £'000
Amounts recognised in statement of financial activities		
Current service cost (less employer contributions)	242	184
Past service cost	—	44
Other settlements	—	(41)
Net finance cost	39	43
Total amount recognised in the SOFA	281	230

	2020 £'000	2019 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2019	3,697	2,878
Current service cost	480	410
Past service cost	—	44
Other settlements	—	(77)
Interest cost	69	75
Employee contributions	62	61
Actuarial loss (gain)	318	384
Benefits paid	(16)	(78)
At 31 August 2020	4,610	3,697

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	1,407	1,137
Interest on assets	30	32
Other settlements	—	(36)
Actuarial gain	227	65
Employer contributions	238	226
Employee contributions	62	61
Benefits paid	(16)	(78)
At 31 August 2020	1,948	1,407

19 Related party transactions

Owing to the nature of the Academy Trust's operations 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 a Trustee has an interest. Where transactions involving such organisations arise, these are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. No such transactions arose during the period of report (2019 – none).

Details of Trustees' emoluments are provided in note 8 to the financial statements. The Academy Trust had no other related party transactions in the year.

Notes to the financial statements Year ended 31 August 2020

20 Teaching School trading account

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Income				
Direct income				
.Teaching School core grant	<u>40</u>		<u>40</u>	
Total income		40		40
Expenditure				
Direct costs				
.Direct staff costs	<u>40</u>		<u>40</u>	
Total direct costs		(40)		(40)
Total expenditure		(40)		(40)
Surplus for all services		<u>—</u>		<u>—</u>
Teaching schools balance at 1 September 2019		<u>—</u>		<u>—</u>
Teaching schools balance at 31 August 2020		<u>—</u>		<u>—</u>