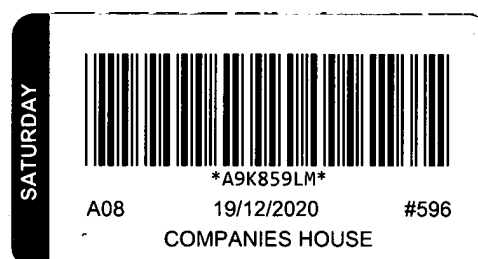




London South East Academies Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
for the Year Ended 31 August 2020

Company Registration Number: 9028122



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Reference and Administrative Details

List of Members & Directors/Trustees, London South East Academies Trust

| Members | | |
|-------------------------|------------|------------|
| Name | Appointed | Resigned |
| Stephen Howlett, CBE DL | 01/08/2017 | |
| Mark Burnett | 01/08/2019 | |
| Angela Hands | 01/08/2019 | |
| Caroline Jolliff | 01/08/2019 | 01/10/2020 |
| Marek Michalski | 01/10/2020 | |
| LSEC | 07/05/2014 | |

| Trustees | | | | |
|-----------------------|------------|---------|--------------------|------------|
| Name | Appointed | Tenure | Role | Resigned |
| Mark Burnett (Chair) | 01/08/2018 | 4 years | Chair | |
| Max Bero (Vice Chair) | 01/02/2018 | 4 years | Vice Chair | |
| Joanna Power | 01/08/2017 | 4 years | Vice Chair | 01/01/2020 |
| Dr Sam Parrett, OBE | n/a | n/a | Trustee | |
| Corinne Botten | 06/12/2016 | 4 years | Trustee | |
| Richard Jackson | 16/07/2019 | 4 years | Trustee | 01/01/2020 |
| Dr Tom Pey | 16/07/2019 | 4 years | Trustee | |
| David Lambert | 01/04/2017 | 4 years | Co-opted Trustee | 21/10/2020 |
| John Slater | 01/02/2019 | 4 years | Trustee | |
| Janet Saunders | 01/04/2019 | 4 years | Co-opted Trustee | |
| Christopher Philpott | 11/12/2019 | 4 years | Trustee | |
| Denise James-Mason | 16/07/2019 | 4 years | Co-opted Trustee | |
| Jennifer Pharo | n/a | n/a | Clerk to the Board | |
| Lucy Butler | 09/07/2020 | 4 years | Trustee | |
| Louise Wolsey | 21/10/2020 | 4 years | Co-opted Trustee | |

| Company Secretary | |
|-------------------|------------|
| Name | Appointed |
| Jennifer Pharo | 04/04/2019 |

| Key Management Personnel | |
|--------------------------|-------------------------|
| Name | Position |
| Sam Parrett | Chief Executive Officer |
| John Hunt | Chief Financial Officer |
| Neil Miller | Executive Head Teacher |
| Jo Southby | Executive Head Teacher |
| Madelaine Caplin | Executive Head Teacher |

Reference and Administrative Details (continued)

| | |
|---------------------------------|--|
| Company Name: | London South East Academies Trust |
| Principal and Registered Office | Rookery Lane Bromley, BR2 8HE |
| Company Registration Number | 9028122 |
| Independent Auditor | Buzzacott 130 Wood Street London, EC2V 6DL |
| Bankers | Barclays Bank Level 27, 1 Churchill Place London, E14 5HP |
| Solicitors | Eversheds Sutherland LLP One Wood Street London EC2V 7WS Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH |

Trustees' Report

The Board of Trustees present their annual report together with the Financial Statements of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' and a directors' report under company law.

The academy trust operates 7 academies which are Primary Schools, Special Schools, and Pupil Referral Units across South East London. Its academies have a combined pupil capacity of 1,199 and had a roll of 1,179 in the school census on May 2020.

The Financial Statements have been prepared in accordance with the accounting policies on pages 36 to 40 of the attached Financial Statements and comply with the 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), effective from accounting periods coming 1 January 2015 or later (Charities' SORP 2015).

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 London South East Academies Trust are also the directors of the charitable company for the purposes of company law.

The Trust works closely with its sponsor, London South East Colleges (LSEC), and in April 2018 the independent boards of each entity agreed to work together to further their strategic aims as London & South East Education Group (LSEEG). Although not a legal entity, LSEEG had a collective turnover of £68.5m in 2019/20.

LSEEG is the umbrella organisation to coordinate the strategy of the group and to optimise and strengthen both governance and collaboration between group entities. This is achieved through schemes of delegation (subject to their non-delegable primary governance responsibilities and authority; their regulatory obligations; and management of potential conflicts of interest). LSEEG also includes London Skills for Growth (LSFG) a charitable independent training provider. The Group is not a legal entity and organisations as members of the Group are not subsidiary companies which are controlled or owned by LSEEG.

The Group rationale is borne from a shared mission, vision and values and seeks to optimise governance alignment through a Group Strategy and provide efficiencies across the organisations for the benefit of Learners and by extension for the public benefit. The Group ethos is founded upon high quality teaching and learning, the development of curriculum models fitting each school cohort and a core and bespoke school improvement strategy which focuses on our shared strength.

Governors and Trustees have been appointed to the Group Board, Independent Legal Boards and the Joint Group Co-ordinating Committees, ensuring that a balanced combination of Governors and Trustees are represented on each of these, as defined by the relevant Articles of Association and the Group Organisation Scheme of Delegation. Details of the group governance arrangements are shown below:

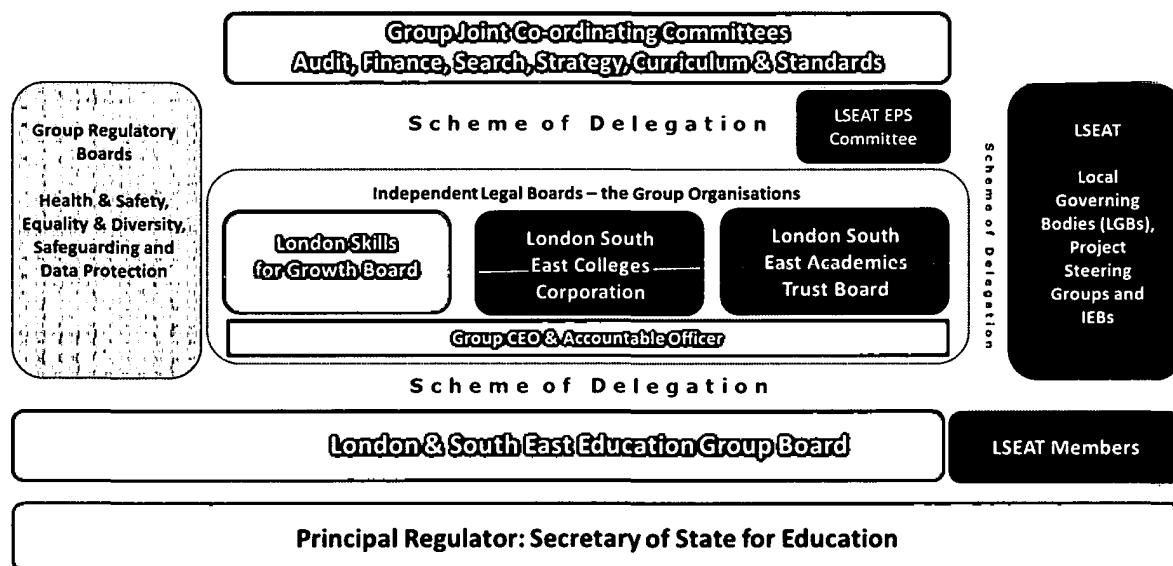
Trustees Report (continued)

Structure, Governance and Management (continued)

Constitution (continued)

A Social Enterprise Organisation

Governance Structure 2020



Details of the Trustees who served on the Trust board during the year are included in the Reference and Administrative Details on page 1. Business is conducted through full Board meetings, a Group Finance Committee and a Group Audit and Risk Committee. The membership of these Committees must include representation from LSEAT but may also include Group Governors or those from other legal entities within the group where this will improve governance through the provision of greater expertise and challenge. Minutes of meetings are maintained and a register of interests published on the Trust's website.

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 he/she is 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 cease to be a member.

Trustees' Indemnities

As disclosed in note 9 professional indemnity insurance is paid on behalf of the directors and officers of the Academy as part of DoE Risk Protection Arrangement.

Method of Recruitment and Appointment or Election of Trustees

Potential new Trustees are identified either by the Board or the Group Board and can be recruited through recommendation, self-referral, response to an advertisement, or referral from a recruiting partner. The Trust always seeks to ensure that the skills and experience of new Trustees are complementary to those of existing Board members, or respond to identified skills gaps. London South East Academies Trust's members appoint Trustees.

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. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new Trustees are welcome to visit the Academy Trust and to meet with staff and students. All Trustees are provided with copies of procedures, minutes, accounts, budgets,

Trustees Report (continued)

Structure, Governance and Management (continued)

plans and other documents that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the individual Trustees.

Organisational Structure

The Key Management Personnel control the Trust at an operational level implementing the policies laid down by the Trustees and reporting back to them. As a group, these personnel are responsible for the authorisation of spending within delegated limits and agreed budgets.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees consider the pay of the key management personnel on an annual basis in line with the Department of Education guidance on "Setting Executive Salaries" published in July 2019. In accordance with its Executive Pay Policy, the Trust is committed to pay any remuneration that is transparent, proportionate and justifiable. When setting rates of pay, the Board takes a number of factors into account in order to ensure pay is commensurate with the accountabilities and duties of employment. Other factors which are considered include the financial and academic performance of both the Trust and each member Academy, the performance of the staff involved, and sector recommendations of annual pay awards. The Board also consider external benchmarks and salaries offered by other Academies for similar staff where this information is available.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy Trust to publish information on facility time arrangements for trade union officials at the Academy Trust. The Academy Trust confirms that there were no employees acting as trade union officials within the meaning of these regulations during the year ended 31 August 2020.

Related Parties and other Connected Charities and Organisations

The Trust has a connection with Bromley College of Further & Higher Education (trading as London South East Colleges) as sponsor of the Academies within the Trust. The Trust shares a number of IT systems with LSEC such as finance, HR, and payroll, and the trust pays a proportion of the actual annual costs of such systems using an appropriate method of apportionment. The sponsor also provides back office services to the Trust for which there is no longer a charge as the staff working wholly or mainly for LSEAT have been transferred under TUPE to be employees of the Trust.

Engagement with employees (including disabled persons)

Communication across the Group is through all staff meetings, regular weekly staff bulletins, and communication via the Executive Head Teachers. This is a two-way process with the Group news publication being circulated with updates from Executive Headteachers and staff on different initiatives and updates on their respective schools. Trust Senior Leadership meetings are held termly and Executive Headteachers have the opportunity to share good practices and receive updates from key LSEC personnel including the Chief People Officer.

The Trust recognises a range of trade unions and these are engaged as and when there are issues of negotiation and consultation with staff on a variety of staffing issues. Formal Joint Consultative Group meetings will be held with Regional Trade Union Representatives in the future to encourage their engagement with the development of Trust policies.

Staff within LSEAT have been encouraged over the summer to partake in a Group wide discussions on 'Engagement and Involvement in Equality, Diversity and Inclusion Matters' and to apply for a grant to fund a project, initiative or idea, or to become an Equality/Diversity and inclusive champion.

The Trust considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned and, where disabled candidates disclose their disability to the Trust and meet the minimum selection criteria, an interview will be offered. Where an existing employee becomes disabled every effort is made to ensure that their employment with the Trust

Trustees Report (continued)

Engagement with employees (including disabled persons) (continued)

continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Engagement with suppliers/customers/ others in a business relationship with the trust

The trust acknowledges that its supply chain is an essential element to the successful and safe operation of its academies, together with the overall success of the company. The supply chain can impact significantly on the education of our pupils as customers and the importance of these relationships and those within the wider LSEEG group are recognised. When considering the trust values its supply chain and uses a mix of local SME's for small one off or regular transactions, through to larger entities with tendered compliant contracts such as cleaning and catering. The Trust always ensures it achieves value for money.

Streamlined energy and carbon reporting

| UK Greenhouse gas emissions and energy use data for the period 1 Sept 2019 to 31 August 2020 | |
|---|---|
| Energy consumption used to calculate emissions (kWh) | 2,903,594kWh |
| Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> gas, electricity, transport fuel | Gas 1,690,832kWh Elec 1,155,837kWh Transport Fuel 56,925kWh |
| <u>Scope 1 emissions in metric tonnes CO₂e</u> Gas consumption Owned transport – mini-buses <u>Total scope 1</u> | Gas 310.9 tCO ₂ e Transport 4.6 tCO ₂ e |
| <u>Scope 2 emissions in metric tonnes CO₂e</u> Purchased electricity | 269.5 tCO ₂ e |
| <u>Scope 3 emissions in metric tonnes CO₂e</u> Business travel in employee owned vehicles | 9.5 tCO ₂ e |
| Total gross emissions in metric tonnes CO ₂ e | 594.5 |
| <u>Intensity ratio</u> Tonnes CO ₂ e per pupil | 0.601 CO ₂ e/Pupil 0.435 CO ₂ e/Pupil and staff member 0.032 CO ₂ e/Sqm of floor space |

Trustees Report (continued)

Streamlined energy and carbon reporting (continued)

Quantification and Reporting Methodology

The 2019 UK Government Environmental Reporting Guidelines were followed, and the report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas energy use was compiled from invoices and meter readings. For 2 sites (Bromley Trust Academy (Midfield) and Bromley Beacon Academy (Bromley) electricity bills were unavailable or inaccurate, so consumption was estimated using the other schools in the trust as a benchmark (based on square meterage). Minibus energy use and emissions were calculated from odometer readings or litres of fuel used. Grey fleet energy use and emissions were calculated from mileage claims.

The energy data was converted to carbon emissions using the 2020 UK Government GHG Conversion Factors for Company Reporting. The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

Intensity measurement

The primary intensity ratio is total gross emissions in metric tonnes CO₂e per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census.

Due to many of the academies having low pupil numbers compared to typical schools of similar floor area size due to the need to have a high staff to pupil ratio, staff numbers have been included as well in a secondary ratio to give a more representative and comparable intensity ratio than pupil numbers alone.

A third intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the academy trust's buildings, which are the source of the majority of emissions.

Measures taken to improve energy efficiency

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. From this date, the schools were open to critical worker's children only, with a phased and partial reopening for certain year groups occurring in June.

A further result of health precautions has been the greater implementation of video conferencing for staff and board meetings, reducing the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Objectives and Activities

Objects and Aims

The aim of London South East Academies Trust is to give children and young people from all backgrounds an outstanding education. In so doing, they will acquire the values, skills, knowledge and understanding to prepare them for life beyond the classroom and subsequently succeed.

To achieve this aim, we will establish outstanding academies in our local community and beyond. Our ethos will be based upon full inclusion, high expectations, outstanding teaching and learning and a relentless focus on the needs and potential of every child.

Trustees Report (continued)

Objectives, Strategies and Activities

The main objectives of the Academy during the year ended 31 August 2020 are summarised below:

- To raise the standard of educational achievement of all pupils;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory requirements;
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness; and
- To set in motion initiatives to increase the number of Academies within the Trust.

The principal long-term objectives of the Trust are laid out in the Funding Agreement in addition to the points summarised above.

The Trust has adopted a scheme of delegation, which sets out the respective functions of the Trust, and its associated local advisory Boards. The Trust currently consists of seven Academies covering primary, specialist primary and secondary phases across sites in Bromley and Bexley. The Academies have provision for mainstream primary pupils, together with pupils who have been excluded from mainstream education or pupils who are at risk of being excluded from such education. In addition, the Trust also provides Key Stage Two to Five provision for Social Emotional and Mental Health (SEMH) students who all have an Education, Health and Care Plan (EHCP).

The Academies within the Trust are as follows.

| | |
|--------------------------|-------------------------|
| Aspire Academy Bexley | Bromley Trust Academy |
| Bromley Beacon Academy | Horizons Academy Bexley |
| Endeavour Academy Bexley | Woodside Academy |
| Belmont Academy | |

Bromley Trust Academy served a pupil population of 128 during 2019/20, with a Planned Annual Number (PAN) of 153. Bromley Beacon Academy increased in number to 126 for 2019/20 compared to a PAN of 120.

Horizons Academy Bexley served a pupil population of 117 during the year with a PAN of 127. Aspire Academy Bexley and Endeavour Academy Bexley served pupil populations of 49 and 67, with a PAN of 48 and 64 respectively. Due to pressure on places, both Aspire and Endeavour were commissioned to increased places during the academic year from 48 to 64 at Aspire from November 2020 and 64 to 80 at Endeavour from September.

Belmont Academy served a pupil population of 439 during the year with a PAN of 472. Woodside Academy served a pupil population of 156 during the year with a PAN of 240.

Public Benefit

In setting objectives and planning activities, the Board of Directors have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

Trustees Report (continued)

Covid-19

Following the imposition of a national lockdown in response to the Coronavirus threat our Schools were closed to the majority of pupils with some reopening as hubs for the most vulnerable children and those of key workers. With most pupils at home, our Schools moved very quickly to enable staff to work at home, and to switch to remote lessons for pupils wherever possible. This included both taking part in and supporting the National Oak Academy initiative.

Despite the lack of staff and pupils in School and in our shared services offices, where required our systems, processes, and controls were adapted to ensure the continued safeguarding of pupils, and the safety of both pupils and staff. Moreover, with an electronic purchase to pay system in place, the majority of our financial controls were unaffected by the remote working and the probity over the use of public funds remained throughout. For the reopening of our Schools, it was necessary to make a number of changes to our operating models and sites such as the introduction of bubbles of pupils. Throughout the pandemic, we have and continued to comply with published guidance and standards of Health & Safety.

Our governance also moved to a digital model during the pandemic with all Board and Committee meetings taking place as planned, with level of attendance, papers and scrutiny which would have been expected if these meetings had been able to take as normal. As part of our continuing Health & Safety controls and risk mitigations, these meetings continue to take place remotely, and throughout the pandemic our governance, risk management, and decision making has remained highly effective.

Staff mental health and well-being during this pandemic remained of paramount importance. Support for staff health and mental well-being was implemented in a number of ways including through a coronavirus resource hub which provides staff and line managers, with a range of resources on managing mental health and well-being. Other resources included guidance on remote working, coping strategies for self-isolation and remote working, frequently asked questions on a range of issues, managing mental health, well-being and stress, managing remote working and isolation, managing financial well-being etc.

In addition, staff also have remote access to the Group's multi faith chaplain for counselling support, together with our employee assistance helpline which is available 24/7 to provide counselling for staff and family members.

It was not necessary for the Trust to benefit from any Government support available during the pandemic and with most income being paid in full, the financial performance of the Trust was actually slightly better than it would otherwise have been with some small savings in staff and non-pay expenditure

Equal Opportunities

The Trustees recognise that equal opportunities are an integral part of good practice within the workplace. The Trust monitors the diversity of its staff, and reviews its recruitment arrangements to support equality and diversity objectives.

Trustees Report (continued)

Achievements and Performance

Key Performance

Bromley Trust Academy (BTA)

The academy has maintained quality teaching and learning throughout the year, setting high standards for pupils in relation to behaviour and progress which has resulted in some excellent outcomes for learners. In spite of the unprecedented circumstances nationally from March 2020, the school has ensured that all pupils have had access to an appropriately amended curriculum. In addition, safeguarding procedures have been adapted to keep pupils safe in the absence for some of daily face to face contact.

Year 11 outcomes in 2019/20 show significant improvement on previous years. It has been recognised that this cohort had higher baseline data than previous years, but the progress made has been good and resulted in the following headline successes:

- The average number of qualifications per pupil rose from 6.45 in 2018/19 to 8.5 in 2019/20.
- Comparing the percentage of pupils achieving 5 or more GCSE or equivalent Grades 4-9 to the national average for pupils attending pupil referral units (less than 2%), pupils at BTA outperformed these figures significantly with 58% of pupils gaining this level of qualification. This is more than double those achieving this in 2018/19 where the percentage was 19%.
- As in 2018/19, 100% of pupils gained at Level 1 in Literacy and Numeracy.
- Achievement in English showed pupils making excellent progress with 65% leaving with Level 2 or Grade 4-9 compared to 26% in 2018/19.
- Although the number of pupils gaining a Level 2 qualification in Maths or GCSE Grade 4-9 was lower than in English, there was still a noticeable improvement on the previous year with 46% of pupils achieving this compared to 26% in 2018/19.
- Progress for Year 11 pupils demonstrated higher numbers making expected or better progress in both English and Maths at 85% and 81% respectably.

Vulnerable pupils make broadly similar progress against baseline at Key Stage 4 and achieve in line with their peers. The gap is slightly wider than in previous years which is likely to be reflective of the different home situations and access to resources during the time immediately prior to the GCSE period when pupils were accessing remote working in almost all cases.

The impact of the pandemic on pupil progress cannot be underestimated with most pupils showing some gaps in progress in English and Maths. Since the pupils accessing BTA are admitted to the school throughout the year, have disrupted educational histories, and arrive with lower baselines than chronological age in many cases, it is not surprising that gaps have arisen during this period. The Catch Up funding and Pupil Premium funding received by the school is targeted for additional intervention work specifically around reading and writing where the greatest gaps occur.

Strategic Report (continued)

Achievements and Performance (continued)

Key Performance (continued)

Bromley Trust Academy (BTA) (continued)

The success of the Primary Outreach Service has been recognised by the local authority who are now investing in the development of a Secondary Outreach Service coordinated by BTA. This is a welcome development as it means that there will be greater opportunity for staff working in schools to impact positively on behaviour at an earlier point, support the schools in accessing appropriate support and work in partnership to prevent increasing permanent exclusions.

NEETs are higher than in previous years due to some Year 11 pupils with identified progression routes not choosing to accept these. In every case there is a particular circumstance which provides a robust explanation for the choices made. In spite of this, NEETs from BTA remain at a very low level at slightly over 10% which compares well with similar schools nationally.

The school self-evaluation has been validated by the commissioned school educational advisor and continues to be graded at least Good in all areas.

Bromley Beacon Academy (BBA)

BBA continues to demonstrate a strong trajectory of school improvement in relation to the opportunities offered to pupils which can be seen in the outcomes and progress achieved. A noticeable achievement has been the improvements seen in English for which pupils have for the first time made greater progress from their Key Stage 2 than in Maths. A clear correlation is the progress and achievements made by pupils who either met or exceeded their targets was directly linked to having attendance over 90%. Where pupils' attendance was below this level, progress and attainment were significantly reduced.

2019/20 was an outstanding year for BBA in terms of pupils in Year 11 achieving excellent outcomes. Although the number of qualifications gained was similar to last year, there has been a noticeable improvement in grades achieved. Key highlights include:

- 28.5% of pupils gained 5 or more GCSE or equivalent passes at Grades 4-9 with 2/3 of pupils gaining 5 or more at Level 1 or above.
- 90% of pupils left Year 11 with qualifications at Level 1 or above in both English and Maths with the only exceptions being two pupils who had not attended the school all year but remained on roll, making the percentage of pupils 100% based on attendance.
- 47.3% of pupils gained GCSE Grades 4-9 or equivalent in English and Maths, a pleasing improvement compared to the outcomes in 2018/19 when 29% of pupils achieved the same grades.
- All pupils in Year 11 who attended the school made progress against their baseline with 79% and 84% making progress in line with their Key Stage 2 results in English and Maths respectively.

There was a gap in attainment between non-Pupil Premium pupils and those in receipt of Pupil Premium / Ever 6 of slightly over 20% and this is being addressed going forward by increasing intervention work and access to IT for vulnerable pupils through the DFE laptop scheme.

COVID-19 has negatively impacted on pupil progress this year. Pupils were in the main making at least expected progress until March 2020 but have lost learning through erratic opportunities for face to face teaching. The impact has been most noticeable in reading and writing for Key Stage 2 pupils with gaps in progress observed in both Maths and English for those pupils at Key Stage 3.

Strategic Report (continued)

Achievements and Performance (continued)

Key Performance (continued)

Bromley Beacon Academy (BBA) (continued)

The school continues to be at capacity for most of each year with demand for places remaining high. Significant investment by the local authority into the Orpington site over the last year has resulted in the school now being able to offer high quality provision and facilities for pupils in Key Stages 2 and 3.

The school self-evaluation has been validated by the commissioned school educational advisor and continues to be graded at least Good in all areas.

Horizons Academy Bexley

Significant gains in achievement have been made in relation to the average number of qualifications gained per pupil with an increase from 2.6 to slightly over 11 per learner over a five year period to 2018/19 and this has been maintained in 2019/20. The main improvement this year has been in the increase in pupils gaining Level 2 qualifications, either through the GCSE route or through entry for Level 2 Functional Skills earlier in the year. This has meant that a high number of pupils are confident of their final outcomes having sat Functional Skills exams pre-March 2020 and in advance of evidence being provided to examination boards.

In terms of headline achievements, the main points are as follows:

- 100% of pupils gained a qualification in both English and Maths at Level 1 / GCSE for the first time in the school's history.
- 27% of all examinations taken were at Level 2 / GCSE Grades 4-9.
- Outcomes in English were almost double those gained last year with 62% of pupils achieving GCSE Grade 4-9 or equivalent in English compared to 37% (2018/19).
- 10% more pupils gained Grade 4-9 or equivalent in Maths compared to 2018/19 with 32% of the cohort achieving this level of qualification.
- Over 97% of pupils left the school with 5 or more GCSE qualifications or equivalent.
- 82% of pupils in Year 11 gained 8 or more GCSE grades.
- 88.2% of pupils in Year 11 achieved 5 or more GCSEs including English and Maths of which almost 12% gained these at Grades 4-9.
- Almost 6% of pupils achieved more than 7 GCSEs at Grades 4-9 with one pupil achieving 11 GCSE grades, all at Grades 7-9 including in Chinese Mandarin which was introduced into the school for some pupils with enthusiasm.
- 100% of pupils in Year 11 secured a positive pathways post-16 and have taken up these places as of September 2020.

Analysis of vulnerable pupils demonstrates no discernable differences in achievements between these pupils and the remainder of the cohort. In fact, pupils in receipt of Pupil Premium slightly outperform their peers in Year 11 in English, Maths and Science and there are no variations between BAME and non-BAME pupils. This evidences the effectiveness of the allocation of Pupil Premium funding to ensure that pupils from disadvantaged backgrounds are able to achieve in line with their peers.

The Outreach Service has continued to receive highly positive feedback from schools with 100% of schools rating the service Good to Outstanding. The service adapted to offer remote sessions and phone support during the pandemic, and this has continued and expanded into September 2020 in line with DFE guidance and school risk assessments. In spite of this, 22 pupils have returned successfully to mainstream school over the last year.

The school's self-evaluation evidences that the academy is providing a good service to its students and outcomes are continuing to improve.

Strategic Report (continued)

Achievements and Performance (continued)

Key Performance (continued)

Aspire Academy Bexley

In spite of the pandemic, pupils at Aspire Academy have made good progress across the year with 100% of Key Stage 1 pupils meeting or exceeding expectations in Reading, Writing and Maths. The pattern is similar for pupils at Key Stage 2 with 93% making expected or greater depth progress in Reading, 73% in Writing and 80% in Maths.

Gaps in attainment between different types of learner are minimal with data evidencing clearly that vulnerable pupils at the school attain broadly in line their peers and pupils from BAME backgrounds follow the same pattern of achievement as the remainder of the cohort. There is a slight gap between boys and girls in the Writing data where girls outperform boys by 36%. Disruption in face to face learning has widened this gap which has led to further emphasis on 1:1 and small group intervention work for Writing through Catch Up funding in the new academic year.

Engagement in remote learning was high throughout the period of March to June 2020. The key focus for the school has been the virtual delivery of literacy and numeracy and this has been shown to have had significant success since Aspire pupils do not show the level of gaps in attainment and progress that might have been predicted. The development of remote Speech and Language sessions and additional training for staff in embedding therapeutic interventions within the curriculum delivery has clearly been effective in reducing the negative impact of lost learning for Aspire pupils.

Self-evaluation by the school is supported by external scrutiny with the school judged Outstanding in all areas which indicates that the Ofsted judgement of July 2015 has been maintained. The provision is recognised as being of a high quality with increasing pressure on placements due to higher levels of local need and continuing increase in parental preferences for the school above alternatives. Confidence in the provision has resulted in the Local Authority increasing commissioned places from 40 in 2016/17 to 48 in 2017/18 and 64 from April 2020. The local authority have invested in expansion of the premises over this year to enable the school to admit additional pupils. It is expected that the new building will be open by November 2020.

Endeavour Academy Bexley

Endeavour Academy has continued to build on the successes of the past six years with a specific focus on the curriculum. Pupils are able to access a broad and balanced subject offer which brings together an academic curriculum with vocational options. The result of this robust timetable has been year on year improvement for Year 11 leavers in terms of their outcomes and their "passport" to college, training or employment.

The main headlines for the school for 2019/20 are:

- There has been a significant rise in the average number of qualifications per pupil from 6.4 in 2017/18 to 6.6 in 2018/19 and up to 10.6 in 2019/20.
- The focus on early entry for Functional Skills in the first half of Year 11 has been a positive factor in the increase in qualifications as well as securing better outcomes with a direct impact being that 100% of pupils have for the first time gained qualifications in both literacy and numeracy.
- 24% of qualifications achieved are at Level 2 / GCSE Grades 4-9.
- Outcomes for pupils in English and Maths are significantly improved in comparison to previous years: 64% of pupils achieved Grades 4-9 in English and 36% in Maths, both hugely improved on 2018/19 where 8% and 23% gained the same level of qualifications.
- In 2019/20 100% of pupils gained 5 or more GCSE or equivalent qualifications.
- 71% of pupils left Year 11 with 8 or more GCSE or equivalent qualifications.

Strategic Report (continued)

Achievements and Performance (continued)

Key Performance (continued)

Endeavour Academy Bexley (continued)

- There is a trajectory of improvement in pupils gaining 7 or more GCSEs or equivalent from zero in 2017/18 to 5% in 2018/19 and 7% in 2019/20.
- All pupils at Endeavour Academy secured a route into post-16 education, training and employment, again demonstrating the positive impact of the Transition Team in supporting pupils to make informed choices and move on successfully to the next phase of their education.
- 100% of pupils in Year 11 met their FFT targets based on Key Stage 2 results for the first time in both English and Maths.

Analysis of vulnerable group data shows that both BAME and Pupil Premium pupils outperformed their peers in Science at Key Stage 4 but there is no evidence of any other gaps and certainly nothing to suggest that disadvantaged pupils do less well than their counterparts.

Progress for pupils during the first half of the year was positive with over 80% of pupils on track to meet and exceed expectations. The latter half of the year was less positive due to the move to remote learning. Although this was accessed by the vast majority of pupils at times, there were some pupils who found the lack of direct interaction a challenge and this impacted negatively on engagement in learning. Particular areas where gaps in attainment and progress widened were in English due to lack of direct support and opportunities for writing. Catch Up funding is now being directed towards this area.

Self-evaluation for the school is validated by an external expert in SEN and is judged to be Good in line with the last Ofsted inspection in June 2016. There are areas which are now moving towards an Outstanding judgement in the view of the leadership team which has been verified by external advisor feedback.

The quality of provision continues to improve with all lessons in monitoring schedule graded at least Good and almost 30% Outstanding.

Woodside Academy

Woodside Academy was last inspected in November 2018 and was judged Good in all areas. The school's self-evaluation maintains this judgement and data evidences that the quality of education at the school is at least good. Pupils continue to have access to a broad, appropriate curriculum which prepares them well for adulthood and prepares them to sit examinations in relevant subject areas.

100% of pupils at Woodside have Education Health Care Plans. The following achievements should be noted for 2019/20 for Year 11 learners at the school:

- 100% of pupils gained a BTEC qualification in a vocational area with 46% gaining an Entry 1 or 2 certificate, 9% a Level 1 Award, 27% a Level 1 Certificate and 18% either a Level 1 Extended Certificate or full Level 1 Diploma.
- 100% of pupils gained accreditation in English: 18% at Entry Level 1, 55% at Entry Level 2 with the remaining 27% earning the ASDAN Short Course.
- Maths results were slightly higher: 10% gained Entry Level 1, 60% Entry Level 2 and 30% at Entry Level 3.
- 10% of pupils achieved Level 1 Functional Skills in Maths.
- Results in Science were pleasing due to increased achievement in Entry Level 3 (64%).

Strategic Report (continued)

Achievements and Performance (continued)

Key Performance (continued)

Woodside Academy (continued)

- Year 10 outcomes have improved on previous years and have set a strong foundation for results into 2020/21 with 100% of pupils achieving a BTEC qualification, 100% gaining a Literacy qualification, 100% gaining a Maths qualification and 71% achieving a Science award in advance of their final GCSE year.
- Post-16 pupils who remain in the school achieved well with 100% achieving the OCR Life and Living Skills qualification at the end of Year 13.
- 100% of leavers in Year 13 had progression routes in place.
- Almost half of the Year 11 cohort remained at Woodside, demonstrating their commitment and satisfaction with the offer received there.
- No pupil leaving Woodside in 2019/20 was NEET.

Belmont Academy

Belmont Academy was last inspected in March 2018 and was judged Good overall with Outstanding for Behaviour, Welfare and Personal Development. Two other reviews were carried out on the effectiveness of Pupil Premium and the robustness of safeguarding. In both cases the outcomes were positive.

KS2 pupils achieved better outcomes in comparison to the national in all areas including combined scores. In spite of SATs being withdrawn, pupils' achievements remained high and the school was confident in reporting that this cohort would have achieved its best results to date were they reported in the usual way.

Attendance and safeguarding are key priorities and attendance data for the school is within the average range for schools nationally (95.75%) but is adversely affected by the number of holidays taken by families during term time. The updated attendance policy includes the ability to fine families for this breach in school policy. The school works effectively with the Education Welfare Service and Fast Track systems are in place to deal with those families for whom attendance is an issue. There have been no permanent exclusions during 2019/20.

The school's self-evaluation evidences that the academy is providing a good service to its students and outcomes are continuing to improve. Belmont continues to be a popular school locally which remains heavily over-subscribed each year.

Summary of all Academies

All academies within the Trust are therefore demonstrating that they are providing a good educational experience for their learners where they are able to achieve, and therefore demonstrating value for money. Differences in funding remain across the schools based on size, local authority budget and local arrangements for charging.

In spite of the unusual circumstances over the year which have led to some gaps in progress due to lost learning, the staff have used direct 1:1 and small group assessment to ensure that gaps are being closed over time. The impact of this will be seen next year. Positives which must be drawn from this are the increasing number of qualifications being achieved each year, the improved standards demonstrated by the pupils' achievements and the low NEET data which all demonstrate that the pupils are learning, making progress, achieving and successfully transitioning into the next stages of their education.

Strategic Report (continued)

Going Concern

The Trust has funding agreements in place with the ESFA, and has been commissioned by its Local Authorities to deliver provision for 2020/21 which is financed through top-up funding. The medium term financial plan for the Trust has been prepared on a prudent basis with appropriate contingencies and assumptions regarding the potential ongoing impact of Covid-19. Despite the challenges presented by the pandemic, the plan demonstrates that the Trust will have sufficient working capital to meet liabilities as they fall due.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

The directors recognise the potential long term impact of its decision and gives appropriate due regard to this consideration in arriving at decisions.

The trust has many stakeholders which include but are not limited to staff, pupils, parents & carer's, funding agencies, local authorities, and the local community. These stakeholder relationships are very important to the Trust and significant senior staff time is invested in both building and maintaining relationships and partnerships. The Trust recognises the importance of such relationships to its future success and works to ensure that these remain strong.

The Trust and its member academies have a good reputation for high quality primary and secondary education. The Special Provision Academies within the Trust attract out of borough placements funded by other local Authorities. In this regard, maintaining a quality brand is essential for the Trust's success at attracting such placements and developing future external relationships.

Financial Review

Principal funding

Much of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to the running of the Academy. The grants received from the ESFA during the year ended 31 August 2020, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives top up funding grants from the relevant Local Authority in respect of the alternative and special provision it provides. The grants received together with the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Financial report for the year

The total income for the period was £22m. The Covid-19 pandemic had no material impact on total income for the year.

In accordance with correct disclosure requirements, the financial information which is presented in the statement of financial activities includes the inherited land building donated from the Local Authority. Such presentation can obscure an overview of the annual operating performance of the Trust. Accordingly, such a view of the summarised operating performance of the Trust (which is extracted from the statement of financial activities) is restated below to exclude the donated fixed assets:

Trustees Report (continued)

Financial review (continued)

Financial report for the year (continued)

| | £'000 |
|--|----------|
| Overall net movements in funds | £1,499 |
| Add: net expenditure attributable to the fixed assets fund | £484 |
| Less: other non-recurring income for the year | £217 |
| Add: LGPS actuarial loss | (£2,095) |
| Add: LGPS service cost adjustment | £882 |
| Add: LGPS interest cost adjustment | £114 |
| Add: LGPS admin costs | £43 |
| Operating surplus (excluding inherited land and buildings) | £1,144 |

With the Coronavirus pandemic closing Schools to most pupils and staff for several months, the overall financial performance of the Trust was slightly better than it would otherwise have been due to the delayed recruitment of staff and some operational non-pay savings. This was achieved in accordance with PPN 02/20 with the Schools supporting suppliers of services and contracts appropriately through partnership working and transparent negotiations.

At 31 August 2020, the Trust had total funds of £39m. This comprised £34.9m restricted funds and £4.1m unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £5.8m at 31 August 2020 (2019: £6.9m). The results for the period are shown on page 33.

At 31 August 2020, the net book value of fixed assets was £40.6m and movements in tangible fixed assets are shown in note 10 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils within the Academies.

Reserves Policy

The Trustees have reviewed the Financial Statements of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees and a formal reserves policy was approved at the Trust Board meeting on 2 April 2019.

The policy seeks to accumulate reserves in order to mitigate risk, protect against unforeseen future events, and to build sufficient reserves to maintain the estate and equipment for learners.

In the context of these principles, Trust policy will be to hold sufficient reserves to:-

- i.) Manage cash flow and liquidity so that variable cash demands to be managed in order to smooth out irregular and cyclical spending and allow for unexpected and unpredictable needs. The recommended minimum reserve for this purpose is 9% of total income for each Academy;
- ii.) Manage known risks which are not insurable or where insurance does not provide value for money. This will be a specific sum as appropriate to each Academy;
- iii.) Fund annual capital investment in order to ensure the estate is safe and fit for purpose, and IT and other equipment is up to date and suitable for learning. The minimum reserve for this purpose is 2% of total income;
- iv.) Provide resources for major capital projects including building refurbishments, new buildings, or infrastructure improvements. Reserve levels for this purpose will be agreed on a case by case basis in accordance with the property strategy.

Where academies do not meet the reserves policy requirements, the use of reserves will generally not be permitted.

Investment Policy

The Trust does not hold any long-term investments. From time to time any cash surpluses are placed on over-night or fixed term deposit with the Trust's bankers.

Trustees Report (continued)

Principal Risks and Uncertainties

A risk register is maintained at the Trust level which links into its board assurance framework. The risk register is reviewed at each meeting by the Group Audit Committee and Trust Board. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system and the risk register was updated during the year to reflect the numerous threats posed by the coronavirus pandemic

Outlined below is a description of three principal operational risks and uncertainties relating to the Trust.

Pupil Places

The finances of the Alternative Provision Academies within the Trust together with the Resource Provision are highly sensitive to the number of pupil places commissioned each year by Local Authorities. The Trustees and Executive Team are confident that the improving pupil progression and outcomes will enhance reputation of its Academies and will enable the Trust to attract increased numbers of commissioned places. The Chief Executive Officer and Executive Team work hard with Local Authorities and their network of partner schools to promote the benefit of the Trust.

Principal Risks and Uncertainties (continued)

Pupil Places (continued)

Projected pupil numbers and the associated financial implications are closely monitored by Trustees and Academy staff.

Financial Risk

The Trust's exposure to financial risks is moderate due to the fact that the basic financial instruments that it deals with are bank balances, cash and trade creditors, with limited trade and other debtors. The deficit in the Local Government Pension Scheme which is described in note 23 is subject to annual actuarial valuations and is regularly monitored by the Trustees.

However, the Belmont Woodside Federation of Schools which joined the Trust in April 2019 has some significant financial challenges to address as it has historically been underfunded by the Local Authority for its statemented pupils. Although this has resulted in a historic reserve deficit being inherited upon conversion, the Trust has successfully managed to eliminate the annual budget deficit for the federation.

Coronavirus

The ongoing impact of the Coronavirus pandemic is expected to continue to have a potential impact on attendance at School and availability of the teaching and other support staff required to maintain the education provision. There is a risk that this may impact on the progress and achievement of pupils or the mental health and wellbeing of staff. We are continuing to support the mental health and wellbeing of both pupils and staff, and have robust Health & Safety controls together with contingency plans in place.

Fundraising

There were no fundraising activities during the year.

Trustees Report (continued)

Principal Risks and Uncertainties (continued)

Plans for Future Periods

The Trust will continue to strive and improve the levels of attainment and progress of all its pupils at all levels and will continue its efforts to ensure its pupils enter into sustained employment or secure a place in mainstream or further education and training once they leave.

The Trust has continued to work with the surrounding Local Authorities in London to provide commissioned places for those children requiring specialist provision. The Trust gained the approval from the Regional Schools Commissioner in November 2016 to expand to up to 15 Schools. Work on this is well underway with five additional Schools joining the Trust since November 2017. A further School is expected to join the Trust during 2020/21.

The Trustees are committed to a policy of measured strategic expansion of the number of primary and secondary Alternative, Special, and Mainstream academies within the Trust. Particular priority will be given to new academies in the geographic areas in which the Trust and its sponsor already operate. In pursuit of this growth, plans are in place to add additional Schools into the Trust over the medium term.

The Trust employs staff on numerous different terms and conditions following the transfer of staff under TUPE as Schools have joined the trust. The Trust is committed to ensuring staff are remunerated fairly and that pay is both proportionate and justifiable for all staff in accordance with its approved Pay and Executive Pay policies. In this regard, the trust will be working to move staff onto standardised LSEAT terms and conditions where possible to do so.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not act as custodian trustee on behalf of any 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, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on the Board's behalf by:



Mark Burnett

Chair of Trustees

Date: 9TH December 2020

Governance Statement

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance and the Academies Financial Handbook for 2019, which were provided to Trustees in September 2019.

Scope of Responsibility

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

The Board of 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 London South East Academies 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.

The Trust works closely with London South East Colleges (LSEC), and London Skills for Growth (LSfG) who together form the London & South East Education Group (LSEEG). LSEEG is the umbrella organisation to coordinate the strategy of the group and to optimise and strengthen both governance and collaboration between group entities. This is achieved through schemes of delegation (subject to their non-delegable primary governance responsibilities and authority; their regulatory obligations; and management of potential conflicts of interest). The Group is not a legal entity and organisations as members of the Group are not subsidiary companies which are controlled or owned by LSEEG.

Trustees and Governors have been appointed to the Group Board, Independent Legal Boards and the Joint LSEEG Group Committees, ensuring that a balanced combination of Governors and Trustees are represented on the each of these, as defined by the relevant Articles of Association. Clear and robust Terms of Reference have been approved for each Board and Committee alongside Schemes of Delegation. These all provide assurance together with strong governance accountability across the Group and the Legal Boards

Formal agendas, papers and reports are supplied to Trustees and each Group Committee in a timely manner, prior to meetings. Briefings are provided on an ad-hoc basis.

Members

Members of London South East Academies Trust are responsible for ensuring the Trust achieves its objectives, as well as compliance with charity and company law and funding agreements. They ensure that they use their discretion regarding their use of the Academy's funds reasonably, taking into consideration guidance on accountability or propriety.

Members comprise:

- the original signatories to the company's memorandum of association;
- additional members appointed and removed by special resolution of the existing membership.

The role of members includes:

- overseeing the achievement of the objectives of the Trust as set out in the articles of association and amending its articles of association when required;
- taking part in annual and extraordinary general meetings;
- appointing and removing members and Trustees;
- ensuring the financial stability of the Trust and approving its accounts;
- ensuring compliance with general principles of charity law;
- approving appointment of external auditors.

Governance Statement (continued)

Board of Trustees

The Trust is responsible through its Board of Trustees and Accounting Officer (the Chief Executive Officer), for all financial transactions within delegated authority. The work of the Trustees is supported by the joint Group Committees through a scheme of delegation which is consistent with the Articles of Association and the Academies Financial Handbook.

Trustees are appointed under the Trust's articles of association including being co-opted by directors. The role of Trustees includes:

- settling the strategic direction of the Trust and ensuring that the strategies of its academies are clearly defined, setting overall policy, defining goals and setting targets and evaluating performance;
- exercising the Trust's powers;
- expending Trust funds for its objects as set out in the articles of association;
- ensuring the sound, proper and effective use of the finances of the Trust, including responsibility for budget setting and auditing requirements in respect of academy accounts;
- ensuring the Trust pursues its objects, is compliant with both company and charity law and has due regard for any other relevant legislation or regulations.

Group Finance Committee

The Group Finance Committee meets on a termly basis and provides additional scrutiny over financial performance of the Trust and related policies and provides assurances to the Board of Trustees that financial performance and oversight is being managed effectively.

Group Audit and Risk Committee

The Group Audit and Risk Committee meets on a termly basis and provides a forum for reporting by the internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of management.

The internal auditors review the systems of internal control, risk management and governance processes in accordance with an agreed plan of input and report their findings to management and the Group Audit Committee.

Management is responsible for the implementation of agreed recommendations and internal audit undertakes periodic follow up reviews to ensure such recommendations have been implemented. The Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work and approves the fees to be paid.

The Group Audit Committee is required to report to the Board on the result of its work during the year and that of the internal and external auditors through its annual Audit Committee Report. This report is considered by the Board prior to the financial statements being approved

Meetings

The Board of Trustees met six times during 2019/20 and overall attendance is reported at 89% individual attendance during the year was as follows

Governance Statement (continued)

Board of Trustees (continued)

Trustee meetings attended out of a possible:

| Name | Meetings | Attended | % | Resigned |
|-----------------------|-----------|-----------|------------|------------|
| Mark Burnett (Chair) | 6 | 5 | 83% | |
| Max Bero (Vice Chair) | 6 | 6 | 100% | |
| Joanna Power | 2 | 2 | 100% | 01/01/2020 |
| Dr Sam Parrett, OBE | 6 | 6 | 100% | |
| Corinne Botten | 6 | 4 | 67% | |
| Richard Jackson | 2 | 1 | 50% | 01/01/2020 |
| Dr Tom Pey | 6 | 6 | 100% | |
| David Lambert | 6 | 5 | 83% | 21/10/2020 |
| John Slater | 6 | 6 | 100% | |
| Janet Saunders | 6 | 5 | 83% | |
| Christopher Philpott | 3 | 3 | 100% | |
| Denise James-Mason | 6 | 5 | 83% | |
| Total | 61 | 54 | 89% | |

The Group Finance Committee of the Trust met 3 times during 2019/20. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

| Name | Attended | Max | % |
|---------------------|----------|----------|------------|
| Allan Carey | 3 | 3 | 100% |
| Joanna Power | 1 | 1 | 100% |
| Dr Sam Parrett, OBE | 3 | 3 | 100% |
| Dr Tom Pey | 1 | 2 | 50% |
| Total | 8 | 9 | 89% |

The Group Audit and Risk Committee of the Trust met 3 times during 2019/20. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

| Name | Attended | Max | % |
|-----------------|----------|----------|-------------|
| Marek Michalski | 3 | 3 | 100% |
| Maxwell Bero | 3 | 3 | 100% |
| John Slater | 3 | 3 | 100% |
| Total | 9 | 9 | 100% |

Governance Statement (continued)

Review of Value for Money

The Trust reviewed the guidelines for paying suppliers and contractors following the publication of the Cabinet Office's Procurement Policy Note in March 2020. In line with the PPN note, invoices from contractors was based on staff costs including NIC and basic pension at 80% furloughed rates plus a percentage to cover indirect costs. Through open book accounting, each contractor was expected to be transparent with the calculation of their costs and justify a % rate of on cost. Contractor staff were expected to be furloughed wherever possible, and for the furlough income to be deducted from the invoiced value for contracts on a nil cost basis, such as the Catering

Contractor, invoices were paid within credit terms and based on services rendered. The catering contractor, Harrison Catering made use of the PPN provisions.

Payment to utility and lease companies continued to be paid as normal within credit terms. Utilities charged based on usage and a fixed standing charge. As premises were closed the usage element was lower in the latter months of the year. The same also applied for lease companies as billed on a fixed charge plus usage. No payments were made in advance of fulfilment of capital project contracts.

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 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:

- Reducing reliance on supply staffing;
- Improving back office services;
- Tendering for a number of contracts in order to reduce costs and improve services;
- Improving pupil progression and attainment from previous benchmarks;
- Achieving a surplus from income resources for the year.
- Increasing the size of the Trust in order to benefit from greater economies of Scale

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 London South East Academies Trust for the year ended 31 August 2020, and up to the date of approval of the Trustees' report and Financial Statements.

Capacity to Handle Risk

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

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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed RSM UK as internal auditor for the year to provide a full assurance service in accordance with internal Auditing Standards and in compliance with the FRC Ethical Standards for Auditors. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period covered:

- Governance
- Key financial controls
- Performance Management & Appraisals
- HR & Payroll
- Development & Growth Strategy
- Audit Actions Follow Up

The Internal Auditor reports to the Board of Trustees through the Group Audit Committee at least annually, the Internal Auditor provides the Group Audit Committee of the Board with a report on internal audit activity in the Trust. The report includes the Auditor's independent opinion on the adequacy and effectiveness of the Trusts system of risk management, control and governance processes.

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 in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of senior 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 and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Despite the Coronavirus pandemic and the mandated closure of Schools to most pupils and staff, the programme of internal audit was completed with some audits taking place during the lockdown. This resulted in a couple of slight delays but still provided the Audit Committee and Board of Trustees with the required assurance opinion on the system of internal control.

The Internal Auditors Annual Report, presented to the Group Audit Committee on 25 November 2020, and the Audit Committee's Annual Report, approved on 25 November 2020 contain the opinion that *'the Trust has adequate and effective risk management, control and governance processes to manage the achievement of its objectives'*.

Governance Statement (continued)

Review of Effectiveness (continued)

Based on the advice of the Group Audit Committee and the Accounting Officer, the Board of Trustees is of the opinion that the Trust has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *“the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets”*.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on the Board's behalf by:



Chair of Trustees

Mark Burnett



Accounting Officer

Sam Parrett

Statement on Regularity, Propriety and Compliance

As Accounting Officer of London South East Academies 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 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 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.



Sam Parrett

Accounting Officer

Statement of Trustees Responsibilities

The Trustees (who act as governors of London South East Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the Financial Statements
- 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 9 December 2020 and signed on its behalf by:



Mark Burnett

Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Members of London South East Academies Trust

We have audited the Financial Statements of London South East Academies 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 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, 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 2015) 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 2015 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
- 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.

Independent Auditor's Report on the Financial Statements to the Members of London South East Academies Trust (continued)

Other information (covers the reference and administrative details, the report of the Trustees and strategic report and the governance statement)

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. 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 and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Independent Auditor's Report on the Financial Statements to the Members of London South East Academies Trust (continued)

Responsibilities of Trustees (continued)

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.

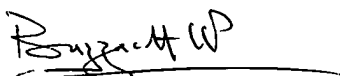
Auditor's responsibilities for the audit of the Financial Statements

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.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 December 2020

Independent Reporting Accountant's Assurance Report on Regularity to London South East Academies and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13th 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 London South East Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of London South East Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of London South East Academies Trust's funding agreement with the Secretary of State for Education dated August 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

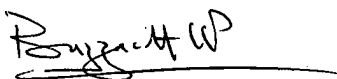
The work undertaken to draw to our conclusion includes:

**Independent Reporting Accountant's Assurance Report on Regularity to London
South East Educational Trust and the Education and Skills Funding Agency**
(continued)

- 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 year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP, Chartered Accountants
130 Wood Street
London
EC2V 6DL

15 December 2020

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

| | Notes | Un- restricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|-------|------------------------------------|--|---|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 3 | - | 143 | 146 | 273 |
| Transferred from local authority on conversion | 26 | - | (217) | - | (217) | 10,431 |
| Charitable activities | | | | | | |
| Funding for the academy trust's educational operations | 3 | 1,985 | 19,819 | - | 21,804 | 16,307 |
| Total | | <u>1,988</u> | <u>19,602</u> | <u>143</u> | <u>21,733</u> | <u>27,011</u> |
| Expenditure on: | | | | | | |
| Charitable activities | | | | | | 678 |
| Academy Trust educational operations | 4 | - | 21,262 | 1,068 | 22,330 | 16,255 |
| Total | | <u>-</u> | <u>21,262</u> | <u>1,068</u> | <u>22,330</u> | <u>16,933</u> |
| Net income/(expenditure) | | 1,988 | (1,660) | (925) | (596) | 10,078 |
| Transfers between funds | 14 | - | (441) | 441 | - | — |
| Other recognised gains and losses | 23 | - | 2,095 | - | 2,095 | (1,875) |
| Net movement in funds | | <u>1,988</u> | <u>(5)</u> | <u>(484)</u> | <u>1,499</u> | <u>8,203</u> |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | <u>2,557</u> | <u>(6,178)</u> | <u>41,215</u> | <u>37,595</u> | <u>29,391</u> |
| Total funds carried forward | | <u>4,545</u> | <u>(6,183)</u> | <u>40,731</u> | <u>39,094</u> | <u>37,595</u> |

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

Balance Sheet as at 31 August 2020

| | Notes | 2020 £000 | 2020 £000 | 2019 £000 | 2019 £000 |
|--|-------|---------------|---------------|--------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 40,550 | | 41,011 |
| Current assets | | | | | |
| Debtors | 11 | 699 | | 690 | |
| Cash at bank and in hand | | 6,397 | | 4,968 | |
| | | <u>7,096</u> | | <u>5,658</u> | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 12 | (2,747) | | (2,214) | |
| Net current assets | | | <u>4,349</u> | | <u>3,445</u> |
| Total assets less current liabilities | | | | | 44,456 |
| Pension scheme liability | 22 | | (5,805) | | (6,861) |
| Total net assets | | | <u>39,094</u> | | <u>37,595</u> |
| Funds of the Academy Trust: | | | | | |
| Restricted funds | | | | | |
| . Fixed asset fund | 14 | 40,731 | | 41,215 | |
| . General fund | 14 | 50 | | 684 | |
| . Pension reserve | 23 | (5,805) | | (6,861) | |
| Total restricted funds | | <u>34,976</u> | | | 35,038 |
| Unrestricted income funds | 14 | | <u>4,118</u> | | <u>2,556</u> |
| Total funds | | | <u>39,094</u> | | <u>37,595</u> |

The Financial Statements on pages 33 to 61 were approved by the Trustees and authorised for issue on 9 December 2020 and are signed on their behalf by:



Mark Burnett

Chair of Trustees

Statement of Cash Flows for the year ended 31 August 2020

| | | 2019 | 2018 |
|--|----|--------------|--------------|
| | | £000 | £000 |
| Cash flow from operating activities | | | |
| Net cash provided by (used in) operating activities | 18 | 1,892 | 1,516 |
| Cash inherited on conversion | | - | — |
| Cash flows from investing activities | 19 | (464) | (297) |
| Change in cash and cash equivalents in the reporting period | | 1,428 | 1,219 |
| Cash and cash equivalents at 1 September 2019 | | 4,968 | 3,747 |
| Cash and cash equivalents at 31 August 2020 | | 6,397 | 4,968 |

Notes to the Financial Statements for the year ended 31 August 2020

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.

1.1 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 (FRS102), 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 (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

London South East Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 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.

1.3 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

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- ***Donations***

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

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

1. Statement of accounting policies (continued)

1.3 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 fixed assets (excluding Transfers on conversion/into 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.

1.4 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.

1.5 Tangible Fixed Assets

Assets costing £5,000 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 in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

Statement of accounting policies (continued)

1.5 Tangible Fixed Assets (continued)

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

| | |
|------------------------------------|----------------|
| • Building improvement works | 6.67% |
| • Long leasehold buildings | 1.12% to 2.13% |
| • Fixtures, fittings and equipment | 10% |
| • ICT equipment | 20% |
| • Motor vehicles | 20% to 25% |
| • Office Equipment's | 33% |

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.

1.5 Liabilities

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

1.6 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.

1.7 Leased Assets

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

1.8 Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. 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 basic financial instruments, and are measured at amortised cost as detailed in notes 12 and 13. 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.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

Statement of accounting policies (continued)

1.9 Taxation

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

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

1.10 Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

The LGPS is a 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest costs are shown as a net finance amount of other finance costs or credits adjacent to interest.

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

1.11 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.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

Statement of accounting policies (continued)

1.12 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 23, 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 2016 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.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

2. Donations and capital grants

| | Unrestricted Funds £000 | Restricted Funds £000 | Restricted Fixed Asset Funds £'000 | Total 2020 £000 | Total 2019 £000 |
|----------------------|-------------------------------|-----------------------------|--|-----------------------|-----------------------|
| Capital grants | — | — | 143 | 143 | 270 |
| Donated fixed assets | — | — | — | — | 10,431 |
| Other donations | 3 | — | — | 3 | 3 |
| | <u>3</u> | <u>—</u> | <u>143</u> | <u>146</u> | <u>10,704</u> |

| | Unrestricted Funds £000 | Restricted Funds £000 | Restricted Fixed Asset Funds £'000 | Total 2019 £000 |
|----------------------|-------------------------------|-----------------------------|--|-----------------------|
| Capital grants | — | — | 270 | 270 |
| Donated fixed assets | — | (1,615) | 12,046 | 10,431 |
| Other donations | 3 | — | — | 3 |
| | <u>3</u> | <u>(1,615)</u> | <u>12,316</u> | <u>10,704</u> |

3. Funding for the Academy Trust's educational operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | — | 9,430 | 9,430 | 6,560 |
| Other DfE/ESFA grants | — | 1,541 | 1,541 | 716 |
| | <u>—</u> | <u>10,971</u> | <u>10,971</u> | <u>7,276</u> |
| Other Government grants | | | | |
| Local authority grants | — | 8,848 | — | 7,304 |
| | <u>—</u> | <u>8,848</u> | <u>—</u> | <u>7,304</u> |
| Other income from the academy trust's educational operations | 1,985 | — | 1,985 | 1,727 |
| | <u>1,985</u> | <u>19,819</u> | <u>21,804</u> | <u>16,307</u> |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

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

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak, however, the Trust did not require to apply for the support due to utilisation of savings made.

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2019 £000 |
|--|-------------------------------|-----------------------------|-----------------------|
| DfE/ESFA grants | | | |
| General annual grant (GAG) | — | 6,560 | 6,560 |
| Other DfE/ESFA grants | — | 716 | 716 |
| | <u>—</u> | <u>7,276</u> | <u>7,276</u> |
| Other Government grants | | | |
| Local authority grants | — | 7,304 | 7,304 |
| | | <u>7,304</u> | <u>7,304</u> |
| Other income from the academy trust's educational operations | 1,727 | — | 1,727 |
| | <u>1,727</u> | <u>14,580</u> | <u>16,307</u> |

4. Expenditure

Non-Pay Expenditure

| | Staff Costs £000 | Premises £000 | Other £000 | Total 2020 £000 | Total 2019 £000 |
|----------------------------------|------------------------|------------------|---------------|-----------------------|-----------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 15,172 | — | 3,778 | 18,950 | 14,449 |
| - Allocated support costs | 1,932 | 1,043 | 404 | 3,380 | 2,484 |
| | <u>17,104</u> | <u>1,043</u> | <u>4,182</u> | <u>22,330</u> | <u>16,933</u> |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

4. Expenditure (continued)

| | Non-Pay Expenditure | | | |
|---|------------------------|------------------|---------------|-----------------------|
| | Staff Costs £000 | Premises £000 | Other £000 | Total 2019 £000 |
| <i>Academy's educational operations</i> | | | | |
| - Direct costs | 11,293 | - | 3,155 | 14,449 |
| - Allocated support costs | 1,290 | 865 | 329 | 2,484 |
| | <u>12,583</u> | <u>865</u> | <u>3,484</u> | <u>16,933</u> |

| Net income/(expenditure) for the year includes: | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Operating lease rentals | 26 | 19 |
| Depreciation | 1,068 | 816 |
| Fees payable to auditor for: | | |
| - audit | 21 | 20 |
| - other services | 11 | 9 |

Included with expenditure are the following transactions:

| | Total £ | Individual items above £5,000 | |
|-----------------------|------------|-------------------------------|--------------------|
| | | Amount £ | Reason |
| Compensation payments | 57,643 | 50,971 6,673 | PILON Ex-gratia |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

5. Charitable activities

| | Total 2020 £000 | Total 2019 £000 |
|--|--------------------------------|--------------------------------|
| Direct costs – educational operations | 18,950 | 14,449 |
| Support costs – educational operations | 3,380 | 2,484 |
| Total direct and support costs | 22,330 | 16,933 |
| Analysis of support costs | | |
| Support staff costs | 1,932 | 1,290 |
| Depreciation | - | - |
| Technology costs | 202 | 127 |
| Premises | 1,043 | 865 |
| Legal costs – conversion | - | - |
| Legal costs – other | 30 | - |
| Other support costs | 134 | 151 |
| Governance costs | 39 | 51 |
| Total support costs | 3,380 | 2,484 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

6. Staff

a. Staff costs

Staff costs during the year were:

| | Total 2020 £000 | Total 2019 £000 |
|--|--------------------------------|--------------------------------|
| Wages and salaries | 11,821 | 8,804 |
| Social security costs | 1,233 | 931 |
| Operating costs of defined benefit pension schemes | 2,093 | 1,438 |
| | 15,356 | 11,173 |
| Supply staff costs | 1,688 | 1,263 |
| Staff restructuring costs | 61 | 148 |
| | 17,104 | 12,584 |
| Staff restructuring costs comprise: | | |
| Redundancy payments | — | 34 |
| Severance payments | 61 | 114 |
| | 61 | 148 |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £6,673 (2019: £33,805). Individually, the payments were: £6,673.

b. Staff numbers

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

| Charitable activities | 2020 No. | | 2019 No. | |
|-------------------------------|------------------------------------|----------------------|------------------------------------|----------------------|
| | Average full-time equivalent | Average headcount | Average full-time equivalent | Average headcount |
| Teachers | 136 | 144 | 111 | 116 |
| Administration and support | 206 | 275 | 145 | 187 |
| Management | 3 | 5 | 3 | 3 |
| | 345 | 424 | 259 | 306 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

6. Staff (continued)

c. Higher paid staff

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

| | 2020 No. | 2019 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 9 | 6 |
| £70,001 - £80,000 | 4 | 2 |
| £80,001 - £90,000 | 1 | 2 |
| £90,001 - £100,000 | 1 | — |
| £100,001 - £110,000 | — | 2 |
| £110,001 - £120,000 | 2 | — |
| | <u>17</u> | <u>12</u> |

The above employees participated in the Teachers' Pension Scheme, of which contributions amounted to £238,076 (2019: £141,598).

7. Key Management Personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £610,666 (2019: £504,105).

8. Related Party Transactions - Trustees' remuneration and expenses

The Chief Executive Officer and other Trustees do not receive any remuneration in respect of services they provide in undertaking the roles as Trustees. No payments were made to Trustees during the year in connection with their roles as Trustees other than reimbursement of expenses incurred. During the year ended 31 August 2020, travel and subsistence expenses totalling £nil (2019: £nil) were reimbursed.

9. 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 cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

10. Tangible fixed assets

| | Leasehold Land and Buildings £000 | Assets under construction £'000 | Furniture and Equipment £000 | Motor Vehicles £000 | Total £000 |
|------------------------|--|---------------------------------------|---------------------------------------|---------------------------|----------------------|
| <u>Cost</u> | | | | | |
| At 1 September 2019 | 42,546 | 153 | 275 | 14 | 42,987 |
| Additions | 314 | 10 | 283 | - | 607 |
| At 31 August 2020 | <u>42,860</u> | <u>163</u> | <u>558</u> | <u>14</u> | <u>43,594</u> |
| <u>Depreciation</u> | | | | | |
| At 1 September 2019 | 1,878 | — | 97 | — | 1,976 |
| Charged in year | 955 | — | 109 | 5 | 1,068 |
| At 31 August 2020 | <u>2,833</u> | <u>—</u> | <u>206</u> | <u>5</u> | <u>3,044</u> |
| <u>Net book values</u> | | | | | |
| At 31 August 2020 | <u>40,027</u> | <u>163</u> | <u>351</u> | <u>9</u> | <u>40,550</u> |
| At 31 August 2019 | <u>40,667</u> | <u>153</u> | <u>177</u> | <u>14</u> | <u>41,011</u> |

11. Debtors

| | 2020 £000 | 2019 £000 |
|--------------------------------|-------------------|--------------|
| Trade debtors | 262 | 198 |
| VAT recoverable | 181 | 122 |
| Prepayments and accrued income | 255 | 370 |
| | <u>699</u> | <u>690</u> |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

12. Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------|--------------|--------------|
| | £000 | £000 |
| Trade creditors | 83 | 246 |
| Taxation and social security | 550 | 521 |
| Other creditors | — | 134 |
| Accruals and deferred income | 2,114 | 1,313 |
| | 2,747 | 2,214 |

13. Deferred income

| | 2020 | 2019 |
|--------------------------------------|-------------|------------|
| | £000 | £000 |
| Deferred income at 1 September 2019 | 529 | 263 |
| Resources deferred in the year | (152) | 286 |
| Amounts released from previous years | 38 | (21) |
| Deferred income at 31 August 2020 | 416 | 529 |

At the balance sheet date, the Academy Trust was holding funds received for Shaw Futures Academy's pre-opening expenditure of £238,905 (2019: £238,905)

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

14. 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) | — | 9,430 | (9,406) | (24) | — |
| Pupil Premium | — | 437 | (437) | — | — |
| Donated current assets on conversion | 299 | (217) | — | (82) | — |
| Pension reserve | (6,861) | — | (1,039) | 2,095 | (5,805) |
| Other grants | 385 | 1,104 | (1,104) | (335) | 50 |
| | <u>(6,177)</u> | <u>10,754</u> | <u>(11,987)</u> | <u>1,654</u> | <u>(5,755)</u> |
| Other restricted funds | | | | | |
| Local authority grants | — | 8,848 | (8,848) | - | - |
| | <u>—</u> | <u>8,848</u> | <u>(8,848)</u> | <u>-</u> | <u>-</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 40,033 | — | (901) | — | 39,132 |
| DfE/ESFA Capital grants | 396 | 143 | (147) | — | 392 |
| Capital expenditure from GAG | 786 | — | (19) | 441 | 1,207 |
| | <u>41,215</u> | <u>143</u> | <u>(1,068)</u> | <u>441</u> | <u>40,731</u> |
| Total unrestricted funds | <u>2,556</u> | <u>1,988</u> | <u>(427)</u> | <u>—</u> | <u>4,118</u> |
| Total funds | <u>37,595</u> | <u>21,733</u> | <u>(22,330)</u> | <u>2,095</u> | <u>39,094</u> |

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

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 31 August 2020.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

14. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

| | Total 2020 £000 | Total 2019 £000 |
|---|--------------------------------|--------------------------------|
| Bromley Trust Academy | 1,030 | 961 |
| Bromley Beacon Academy | 1,086 | 823 |
| Horizons Academy Bexley | 1,275 | 907 |
| Endeavour Academy Bexley | 191 | 228 |
| Aspire Academy Bexley | 125 | 206 |
| Belmont Academy | (85) | (22) |
| Woodside Academy | 417 | 66 |
| Central services | 129 | 70 |
| Total before fixed assets and pension reserve | 4,168 | 3,241 |
| Restricted fixed asset fund | 40,731 | 41,215 |
| Pension reserve | (5,805) | (6,861) |
| Total | 39,094 | 37,595 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

14. Funds (continued)

Total cost analysis by academy

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

| | Teaching and education support staff costs £000 | Other support staff costs £000 | Educational supplies £000 | Other costs (excluding depreciation) £000 | Total 2020 £000 | Total 2019 £000 |
|-----------------------------------|---|--|---------------------------------|---|-----------------------|-----------------------|
| Bromley Trust Academy | 2,174 | 840 | 506 | 192 | 3,712 | 3,337 |
| Bromley Beacon Academy | 2,110 | 851 | 564 | 259 | 3,783 | 3,331 |
| SHaW Futures Trust | - | - | - | - | - | 7 |
| Endeavour Academy Bexley | 1,472 | 207 | 252 | 232 | 2,163 | 1,843 |
| Horizons Academy Bexley | 2,117 | 366 | 407 | 267 | 3,156 | 3,133 |
| Aspire Academy Bexley | 891 | 161 | 150 | 97 | 1,300 | 1,155 |
| Belmont Academy | 1,630 | 302 | 337 | 121 | 2,390 | 1,033 |
| Woodside Academy | 3,016 | 376 | 433 | 213 | 4,038 | 1,596 |
| London South East Academies Trust | - | 592 | 60 | 66 | 718 | 681 |
| | 13,409 | 3,695 | 2,710 | 1,448 | 21,262 | 16,117 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

14. 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) | – | 6,560 | (6,531) | (29) | – |
| Pupil Premium | – | 296 | (296) | – | – |
| Donated current assets on conversion | 452 | – | (42) | (111) | 299 |
| Pension reserve | (2,533) | (1,615) | (838) | (1,875) | (6,861) |
| Other grants | 475 | 420 | (428) | (82) | 385 |
| | <u>(1,607)</u> | <u>5,661</u> | <u>(8,135)</u> | <u>(2,096)</u> | <u>(6,177)</u> |
| Other restricted funds | | | | | |
| Local authority grants | – | 7,304 | (7,304) | – | – |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 28,842 | 12,046 | (614) | – | 40,274 |
| DfE/ESFA Capital grants | 327 | 270 | (202) | – | 396 |
| Capital expenditure from GAG | 324 | – | – | 221 | 545 |
| | <u>29,494</u> | <u>12,316</u> | <u>(816)</u> | <u>221</u> | <u>41,215</u> |
| Total unrestricted funds | <u>1,505</u> | <u>1,730</u> | <u>(678)</u> | <u>–</u> | <u>2,556</u> |
| Total funds | <u>29,393</u> | <u>27,011</u> | <u>(16,933)</u> | <u>(1,875)</u> | <u>37,595</u> |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

15. Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | 2020 Total Funds £000 |
|--------------------------|-------------------------------|--|--|--------------------------------|
| Tangible fixed assets | - | - | 40,550 | 40,550 |
| Current assets | 4,118 | 2,797 | 181 | 7,096 |
| Current liabilities | - | (2,747) | - | (2,747) |
| Pension scheme liability | - | (5,805) | - | (5,805) |
| Total net assets | 4,118 | (5,755) | 40,731 | 39,094 |

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | 2019 Total Funds £000 |
|--------------------------|-------------------------------|--|--|--------------------------------|
| Tangible fixed assets | — | — | 41,011 | 41,011 |
| Current assets | 2,556 | 2,898 | 204 | 5,658 |
| Current liabilities | — | (2,214) | — | (2,214) |
| Pension scheme liability | — | (6,861) | — | (6,861) |
| Total net assets | 2,556 | (6,177) | 41,215 | 37,595 |

16. Capital commitments

At 31 August 2020 the Trust is not committed to any capital projects (2019: £nil).

17. 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 £000 | 2019 £000 |
|--|--------------|--------------|
| Amounts due within one year | 33 | 21 |
| Amounts due between one and five years | 131 | 84 |
| Amounts due after five years | - | — |
| | 163 | 105 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

18. Reconciliation of net income to net cash flows from operating activities

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Net income for the reporting period (as per the statement of financial activities) | (596) | 10,077 |
| Depreciation (note 9) | 1,068 | 816 |
| Inherited fixed assets | - | (12,046) |
| Capital grants from DfE/ESFA and other capital income | (143) | (270) |
| Defined benefit pension scheme cost less contributions payable (note 22) | - | 760 |
| Defined benefit pension scheme interest (note 22) | 114 | 78 |
| Defined benefit pension scheme obligation inherited | - | 1,615 |
| Increase in debtors | (9) | (100) |
| Increase in creditors | 534 | 586 |
| Cash balance inherited Trust (note 25) | - | — |
| Net cash provided by operating activities | 1,892 | 1,516 |

19. Cash flows from investing activities

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Purchase of tangible fixed assets | (607) | (567) |
| Capital grants from DfE/ESFA | 143 | 270 |
| Net cash used in investing activities | (464) | (297) |

20. Analysis of change in net funds

| | At 1 September 2019 £000 | Cash flows £000 | At 31 August 2020 £000 |
|---------------------------------|-----------------------------------|-----------------------|---------------------------------|
| Cash in hand and at bank | 4,968 | 1,428 | 6,397 |
| Total cash and cash equivalents | 4,968 | 1,428 | 6,397 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

21. Contingent liabilities

There are no contingent liabilities at the balance sheet date (2019: £nil).

22. 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.

23. 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 London Borough of Bromley and Bexley. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

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:

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

23. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £1,315,958 (2019: £1,150,437).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,634,117 (2019: £895,191), of which employer's contributions totalled £1,254,609 (2019: £689,205) and employees' contributions totalled £379,508 (2019: £205,987). The current employer contribution rates vary for each Academy and ranges between 13.7% and 20.9%, with the employee contribution rates varying between 5.5% to 12.5% for employees.

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.

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

| Principal actuarial assumptions | At 31 August 2020 | At 31 August 2019 |
|--|-------------------------|-------------------------|
| Rate of increase in salaries | 3.8% | 3.6% |
| Rate of increase for pensions in payment/inflation | 2.4% | 2.2% |
| Discount rate for scheme liabilities | 1.8% | 1.8% |
| Inflation assumption (CPI) | 2.3% | 2.1% |
| Commutation of pensions to lump sums | 50% | 50% |

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 | 22.4 | 23.5 |
| Females | 25.1 | 26.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.0 | 26.2 |
| Females | 27.1 | 28.5 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

23. Pension and similar obligations (continued)

Principal actuarial assumptions (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

| | Fair value at 31 August 2020 £000 | Fair value at 31 August 2019 £000 |
|-------------------------------------|---|---|
| Equities | 4,982 | 3,409 |
| Other Bonds | 2,156 | 1,258 |
| Property | 721 | 538 |
| Cash/Liquidity | 84 | 121 |
| Other | 1,099 | 1,273 |
| Total market value of assets | 9,042 | 6,599 |
| Present value of scheme liabilities | | |
| Funded | (14,847) | (13,460) |
| Surplus/(deficit) in the scheme | (5,805) | (6,861) |

The actual return on scheme assets was £384,000 (2019: £481,000).

Amounts recognised in the statement of financial activities:

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| Net service cost | 870 | 350 |
| Past service cost | 12 | 384 |
| Interest income | (131) | 26 |
| Interest cost | 245 | (134) |
| Admin expenses | 43 | 212 |
| Total amount recognised in the SOFA | 1,039 | 838 |

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

23. Pension and similar obligations (continued)

Principal actuarial assumptions (continued)

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

| | 2020 £000 | 2019 £000 |
|--------------------------|---------------|--------------|
| At 1 September | 13,460 | 6,425 |
| Current service cost | 1,853 | 1,034 |
| Interest cost | 245 | 212 |
| Employee contributions | 294 | 208 |
| Past Service cost (gain) | 12 | 384 |
| Actuarial (gain)/loss | (920) | 2,218 |
| Benefits paid | (97) | (123) |
| Inherited on conversion | - | 3,102 |
| At 31 August | 14,847 | 13,460 |

Movements in the fair value of Academy Trust's share of scheme assets

| | 2020 £000 | 2019 £000 |
|-------------------------|--------------|--------------|
| At 1 September | 6,599 | 3,892 |
| Interest income | 131 | 134 |
| Administrative expenses | (43) | (26) |
| Actuarial gain | 1,175 | 343 |
| Employer contributions | 983 | 684 |
| Employee contributions | 294 | 208 |
| Benefits paid | (97) | (123) |
| Inherited on conversion | - | 1,487 |
| At 31 August | 9,042 | 6,599 |

The estimated value of employer contributions for the year ended 31 August 2020 is £566,812 (2019: £408,310).

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

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

The trust shares a number of back office systems and staff with its sponsor, Bromley College of Further and Higher Education which trades under the band of London South East Colleges. These systems include HR, Payroll, and finance together with a related service desk system. The trust reimburses the College with its share of the related license and support costs of these systems, based upon average FTE for the year, which is considered to be a fair basis of apportionment according to usage. For 2019/20, the related payment for the trusts share of these systems was £60,186 (2018/19: £339,648).

The College as the sponsor still provides a number of services to the Trust including Finance, HR, Marketing, PR, H&S, Procurement and Estates, but no charge is made for such services.

25. Events after the end of the reporting period

There are no post balance sheet events.

26. Transfer of existing Academies joining the Trust

Following Belmont and Woodside Federation joining the Trust on 1st of April 2019, the Trust became liable for inherited deficit of £217k, which materialised early 2020.

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

27. Comparative statement of financial activities for the year ended 31 August 2019

| | Un- restricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2019 £000 |
|---|------------------------------------|--|---|-----------------------|
| Income and endowments from: | | | | |
| Donations and capital grants | 3 | — | 270 | 273 |
| Transferred from local authority on conversion | — | (1,615) | 12,046 | 10,431 |
| Charitable activities | | | | |
| Funding for the academy trust's educational operations | 1,727 | 14,580 | — | 16,307 |
| Total | 1,730 | 12,965 | 12,316 | 27,011 |
| Expenditure on: | | | | |
| Charitable activities | 678 | — | — | 678 |
| Academy Trust educational operations | | 15,439 | 816 | 16,255 |
| Total | 678 | 15,439 | 816 | 16,933 |
| Net income/(expenditure) | 1,052 | (2,474) | 11,500 | 10,078 |
| Transfers between funds | — | (221) | 221 | — |
| Other recognised gains and losses | — | (1,875) | — | (1,875) |
| Net movement in funds | 1,052 | (4,570) | 11,721 | 8,203 |
| Reconciliation of funds | | | | |
| Total funds brought forward | 1,505 | (1,608) | 29,494 | 29,391 |
| Total funds carried forward | 2,557 | (6,178) | 41,215 | 37,595 |