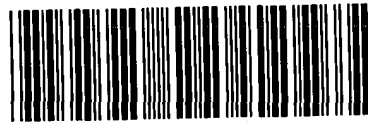


AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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AD ASTRA ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

L Ashurst
G Baldwin (appointed 13 December 2019)
A Steel
A Wilson
S Prandle

Trustees

C J Simmons, Chair of Trustees (appointed to position of Chair of Trustees 14 December 2019)^{1,2}
R Priestman, Vice Chair of Trustees²
A Steel, Chair of Trustees (resigned 14 December 2019)^{1,2}
A A Brown OBE, Chief Executive Officer and Accounting Officer^{1,2}
G Brown²
R C Broad (appointed 3 April 2020)
Father G Buttery¹
M E Elwell (appointed 6 November 2020)
S Hall (resigned 14 December 2019)^{1,2}
J G Maddison (appointed 6 November 2020)
A C A Morris (resigned 22 April 2020)
A Pattison (resigned 14 September 2020)
A Wilson (appointed 13 December 2019)^{1,2}

¹ Standards Committee

² Resources and Compliance Committee

Company registered number

09308398

Company name

Ad Astra Academy Trust

Principal and registered office

Hub Two
The Innovation Centre Venture Court
Queens Meadow Business Park
Hartlepool
TS25 5TG

Senior Leadership Team

A A Brown OBE, Chief Executive Officer
H Jackson, Head of School Improvement
P Kermotschuk, Deputy Lead for School Improvement
S Lister, Chief Operating Officer
A Degnan, Finance Manager
M Ingram, HR Manager
J Dunning, Estates Manager

C Haylock, Headteacher (West View Primary School)
A Hall, Headteacher (West Park Primary School)
J Thomas, Headteacher (Brougham Primary School) until 31st August 2020
S Greenan, Headteacher (Brougham Primary School) from 1 September 2020
E Huntington, Headteacher (Rosebrook Primary School) until 31 August 2020
L Todd, Headteacher (Rosebrook Primary School) from 1 September 2020
C Twiby, Headteacher (Crooksbarrow Primary School)
L Biggin, Headteacher (Ayresome Primary School) until 30 April 2020

AD ASTRA ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

A Goring, Acting Headteacher (Ayresome Primary School) from 27th January 2020
L Walker, Headteacher (Barnard Grove Primary School) from 1 February 2020

Independent auditors

Clive Owen LLP
Chartered Accountants & Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Lloyds Bank LLP
128-132 York Road
Hartlepool
TS26 9DD

Solicitors

Tilly, Bailey and Irvine LLP
York Chambers
York Road
Hartlepool
TS26 9DP

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates 7 primary academies in Hartlepool, Stockton and Middlesbrough. Its academies have a combined pupil capacity (reception to year six) of 2,679 and had a roll of 2,587 in the school census on 16 January 2020. Pupils are admitted into each academy based upon the approved admissions criteria set by the relevant Local Authority.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

The Trust is a member of the Risk Protection Arrangements (RPA) to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 13.

Method of Recruitment and Appointment or Election of Trustees

The Members appoint a minimum of six Trustees. The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Chief Executive Officer or any post held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected. The Trustees are able to consider appointing additional directors under the Articles should a vacancy exist, and their skills and expertise be deemed beneficial to Trust operations. An application and due diligence process will be undertaken to ensure any future board members share the ethos and values of the Trust and to ensure that their appointment will bring added value to the Trust Board.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Trustees are offered a tour of each academy and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, 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.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

Organisational Structure

During the year the Trust operated a unified leadership and governance structure consisting of 6 levels: the Trustees, Trust Committees, the Trust Executive Leadership Team, the Headteacher Board, the Local Governing Body and the Senior Leadership Team within each school across the Trust. The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels. The decision-making authority of each layer is detailed in the Trust Scheme of Delegation.

The Trustees

The Trust Board is responsible for the strategic direction of the Trust and ensuring high standards of corporate governance are maintained at all levels. It exercises its functions and powers by addressing such matters as:

- Developing, implementing, and monitoring plans articulating the strategic vision of the Trust from both an educational and business perspective and ensuring these are financially viable.
- To monitor the effectiveness of the support arrangements to ensure satisfaction with the level of service and that they represent value for money.
- Being responsible for school improvement performance of schools within the Trust with appropriate rigor and challenge to ensure high standards of achievement and attainment for all children.
- Appointing senior members of staff with the necessary skills and attributes and undertaking rigorous performance management of such staff to ensure they deliver an outstanding service to the Trust.
- To approve the Trust budget and ensure financial accountability to the Department for Education for all schools within the Trust.
- To monitor statutory educational and business compliance requirements.

The Trust Board has two committees; Standards and Resources & Compliance, which monitor these specific areas of Trust business in more depth. These committees report back to the Trust Board to ensure all Trustees are well informed.

Local Governing Bodies

The Local Governing Body is responsible for ensuring the implementation of the strategic direction of the Trust within their respective academy. It exercises its functions and powers by addressing such matters as:

- Monitor the progress of the attainment and progress of children within the academy with rigour and challenge.
- Being accountable for standards of teaching and learning, celebrating success and taking action at a local level to address any areas of underperformance.
- Approving and monitoring the self-evaluation form and school development plan, ensuring these are appropriately resourced.
- Ensuring the curriculum diet of the academy is broad and balanced and to monitor its effectiveness.
- Ensuring the academy is inclusive to all learners and other stakeholders.
- Working with the Headteacher and the Trust Finance team to ensure the allocated budget is monitored effectively and meets the needs of all learners and the priorities identified in the school development plan.
- Monitoring the use of specific funds given to the academy to ensure this meets the purpose for which it has been given. To particularly monitor the use of Pupil Premium funding to ensure this is used effectively to narrow the gap between social disadvantage and attainment.
- Supporting the Headteacher in ensuring that the Trust school improvement and business support functions meet the needs of the school by delivering an effective, equitable and compliant service.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

Trust Executive Team

The Trust Executive Team operates under the leadership and direction of the Chief Executive Officer, and comprises the Head of School Improvement, Deputy Lead for School Improvement and Chief Operating Officer. This team is responsible for the effective delivery of educational and business support functions across the Trust to support schools in raising standards and providing an excellent educational experience for all pupils. The Chief Operating Officer is supported by a wider Trust central team comprising HR, Finance and Estates staff as well as external IT support.

Headteacher Board

Headteacher Board meetings are in place to ensure communication from schools and Local Governing Bodies is effective. It also supports in the preparation for Trust Board meetings, where the position of each school in terms of standards, HR and finance and compliance is discussed. It also provides the opportunity for Headteachers to give their views in terms of Trust operations to allow these to be fed into the Trust Board decision making process.

Senior Leadership Teams

At individual school level, the Senior Leadership Team is responsible for the operational aspect of the strategic plan being locally responsible and accountable for.

- High standards of teaching and learning with a relentless focus on continuous school improvement.
- High levels of attainment and achievement for all pupils irrespective of their starting point.
- Effective safeguarding of pupils.
- Undertaking effective performance management to ensure all pupils attending Trust schools are taught by high quality staff who have high expectations and aspirations for the children they teach.
- Demonstrating strong leadership skills to ensure a highly motivated and supportive school culture that breeds success.
- Effective and efficient use of resources to support teaching and learning priorities.
- Compliance in all aspects of school policies and procedures, statutory and otherwise.

Setting of Pay and Remuneration for Key Management Personnel

Pay and remuneration for key management personnel is determined by the Trustees in line with:

- The National Agreement on Pay and Conditions of Service for Local Government Services (Green Book) and local job evaluation criteria and scoring in respect of support staff posts.
- School Teachers Pay and Conditions in respect of teaching and education roles.
- Local Authority Chief Officer Conditions of Service in respect of the Chief Executive Officer and Chief Operating Officer.

Trustees and local governors may claim expenses under Article 6.5 of the Articles of Association of Ad Astra Academy Trust which allows for the reimbursement of 'reasonable expenses properly incurred when acting on behalf of the Academy Trust.' This makes clear the ability to claim expenses is only in cases where a Trustee or Local Governor has incurred the expense while undertaking their governance role.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the period	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	4,365
Total pay bill	12,336,143
Percentage of total pay bill spent on facility time	0.035 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated;(total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time x 100)	-	%
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AD ASTRA ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

Connected Organisations, Including Related Party Relationships

West View Primary and West Park Primary work closely with a local community interest company called West View Project that provides alternative educational opportunities and youth services for children and young people. The schools procure the services of the Project to deliver a variety of specialist activities, including School Council support, vulnerable pupil support and outdoor learning activities, although these have been limited during the latter part of the period due to COVID restrictions. The impact of using the services of West View Project has seen particular impact for working with our most vulnerable children and has seen positive improvements in behaviour and helped them to re-engage with learning. One Trustee of Ad Astra Academy Trust who is also the Chair of the Local Governing Body at West View Primary School is also a member of the Board of Directors of West View Project. This interest has been declared openly and the Trustee concerned is not part of the school's decision-making process when considering the services of the West View Project.

The CEO and Accounting Officer of Ad Astra Academy Trust, Andrew Brown OBE, is a non-executive Director of Education Mutual. Education Mutual has been set up as a 'mutual' organisation to provide staff absence and welfare services to the education sector and indeed provide these services to some Ad Astra Academy Trust schools. His role within the mutual is to act in an advisory capacity only: he has no voting rights (by virtue of the fact that the organisation is a mutual). This interest has been declared openly and he receives no remuneration for undertaking his role on the board.

R Priestmen, is practice manager of Davies Tracey Chartered Accountants & Business Advisors who provide internal audit services to the Trust. This interest has been declared openly to the Trust Board.

Further details are stated in note 29 to the Financial Statements.

Engagement with Employees (including Disabled Persons)

The Trustees of Ad Astra Academy Trust expect that information regarding matters relating to staff, flow from the CEO and central team directly to employees, through the Headteacher via the bespoke communication arrangements in each school. The Trust employ a central HR Manager to manage and coordinate changes to contractual and policy information. Ad Astra Academy Trust has its own Trade Unions recognition agreement and all proposed changes to employee contractual terms or HR policies which affect them, are formally consulted upon with the Trade Unions on behalf of all staff. Comments and suggested changes are taken into consideration through the consultation process and amended and included where appropriate. In addition, schools undertake 'staff voice' questionnaires where feedback on specific staff-related topics is gathered. Results are collated and analysed, and the results are used to direct future policy at each school. In addition, regular hub meetings take place with staff and senior and middle leaders where ideas and suggestions relating to education, pastoral care and curriculum provision are discussed and consulted upon from across all schools in the Trust. This helps to foster open and transparent dialogue between professionals and ensure that feedback can be provided and acted upon. These hub meetings also allow all staff to be aware of changes in performance requirements such as the treatment of educational data by the DfE and changes to the OfSTED inspection framework.

Disabled employees are treated equally in all aspects of their career development and continuous professional development. Recruitment practices are open, fair and transparent and adhere to the Ad Astra Academy Trust Safer Recruitment policy. Applications are welcomed from all candidates that can demonstrate they meet the requirements in the agreed person specification. Shortlisting is conducted without sight of personal information including disability. Recruitment records are kept for the required period of time and are subject to independent audit. Disabled people are able to work within Ad Astra Academy Trust schools successfully as a result of a number of building and site adaptations such as the installation of lifts, ramps and disabled toilets. Door widths are also adequate to enable wheelchair access to all main areas of the Trust estate. Where necessary further adaptations to the physical environment is undertaken as appropriate.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

Engagement with Suppliers, Customers and Others in a Business Relationship with the Academy Trust

The principal 'customers' of Ad Astra Academy Trust, are the pupils (and their parents) who attend the schools and benefit from the educational provision. Despite being primary aged children, schools consult with their pupils on a range of topics pertinent to them, such as their views on learning, communication, behaviour, uniform, homework and school meals. Parents are also asked about similar topics. These usually take the form of questionnaires, which are completed, collated and analysed. The results are used to identify trends and determine future policy within each school. Overall feedback is provided to the Local Governing Body in each school who hold the Headteacher to account for local school performance.

Ad Astra Academy Trust proactively makes efforts to ensure it fosters sound business relationships with its suppliers. The Trust strives to pay its suppliers within their business terms so that their cash flow is not adversely affected. Internal controls and financial processes are in place to ensure accurate payments are also made. Regular dialogue takes place with service suppliers to ensure the schools and central team achieve the best provision for the benefit of all pupils and staff, and these are formally reviewed periodically when contracts are due for renewal to ensure they remain fit for purpose.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Ad Astra Academy Trust to provide education for students of different abilities between the ages of 2 and 11 years.

In accordance with the Articles of Association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Trust during the year ended 31 August 2020 are summarised below.

- To support all our children to surpass national expectations.
- Ensure all our schools exceed national expected targets.
- Support all our schools to achieve an OFSTED grading of Outstanding.
- To ensure that leadership and the quality of teaching and learning is good or better in all our schools.
- To enable staff in our Trust to be innovative, lifelong learners and to work collaboratively.
- To budget effectively, to build capacity within the Trust and to deploy our resources efficiently for the benefit of pupils and staff.
- Develop strong relationships between families, the community, and stakeholders.
- To support all our schools in formulating robust and comprehensive risk assessments and management plans to mitigate the impact of the COVID pandemic and ensure the continuity of educational provision.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and Activities (continued)

Objectives, Strategies and Activities

To support and complement the objectives above, the Trust devised five key values that were designed and approved during the period, they are as follows.

- **Support** - All employees, pupils and other stakeholders within the Trust will be given the support needed not only to achieve their ambitions but to enjoy and thrive within our Trust. We will enable and support children by removing barriers to their success.
- **Togetherness** - Togetherness is hugely important to us it unites us and provides a community of support and challenge. We have a genuine ambition to build something together.
- **Achieve** - Children are at the heart of everything we do, and pupil achievement is our primary focus.
- **Respect** - We operate in a culture of respect and integrity; qualities that make for a successful organisation. We value everyone in the Trust treating them with dignity.
- **Success** - A belief that every pupil matters and deserves the best education is what drives us.

Our strapline is "Working Together for Children" and our underlying mission statement is to provide an innovative, first class education to inspire our children to achieve their full potential.

Ad Astra Academy Trust believes that highly skilled and committed staff led by strong and effective leadership is the key to success for each school within the Trust. All schools have continued to work collaboratively to identify areas of good practice and to support each other, despite challenges presented by the COVID pandemic. This has proved particularly successful with staff relishing the opportunity to look beyond the boundaries of their own school to identify innovative practices to transfer back into their own setting. The continued impact of this is apparent with a successful network and talent-pool of teachers and leaders in place to provide inter-school moderation, support and professional development.

1. Despite COVID restrictions, all schools have continued in their relentless focus to improve outcomes for all pupils regardless of their starting point. Improved standards of teaching and learning have been achieved by continuous review and analysis of pupil performance data. Prior to the closure of schools in March 2020 (except for vulnerable children and those of key workers), regular pupil progress reviews and annual peer reviews have been undertaken to inform this process; celebrating success and identifying where improvements can be made. Analysis of this work is shared and discussed with the Local Governing Bodies of each school and also with Trustees at the Standards Committee so that they have a detailed awareness of the work that is being undertaken to ensure each child is receiving the best education possible.
2. During the period of national school closures, the Trust central team and schools worked collaboratively in formulating a hybrid learning provision, with opportunities in place to cater for children both at home and those who were permitted to be in school, to ensure any negative impact on learning was minimised as much as possible. Areas of best practice have been researched, evaluated and refined to ensure schools have the best possible tools and resources to support the educational and pastoral needs of their children.
3. Some independent reviews of school provision and performance has also continued. During the period, most schools in the Trust have been judged to be 'Good' overall although one school has continued to retain its 'Outstanding' status. The only exception is Ayresome Primary School which joined in January 2019 and is graded 'Requires Improvement.' Despite this, there are already pockets of evidence of improvement in educational performance. One judgement was confirmed when OfSTED inspected Rosebrook Primary in September 2019 and reaffirmed that they are a 'Good' school. This gives credence to the judgement that the school awarded itself in its self-evaluation. Until March, all schools have undertaken further training in the Education Development Trust's peer review framework to ensure that the Senior Leadership Teams are fully prepared for any external inspection or verification.
4. Senior and Middle Leadership Teams in each school have worked collaboratively to determine a consistent approach to teaching and learning with cross-school moderation and learning forums proving particularly successful. These continued virtually post-March when COVID restrictions were in place. All schools within the Trust have worked together towards developing a transparent assessment system that is clear to all staff as well as understood by pupils and parents.

AD ASTRA ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Objectives and Activities (continued)

5. A rigorous approach to performance management and professional development have been a common theme in all schools during the period. Ad Astra Academy Trust recognises that high quality teaching carried out by enthusiastic and committed staff is the key to success. All schools have continued to use rigorous performance management which breaks down the key elements of successful teaching and learning and staff are assessed accordingly.
6. The Trustees have recognised that the key to allowing the educational experts to focus and deliver a high-quality pupil experience is to have an effective business leadership structure in place to deliver on all non-educational outcomes. The Trust has an established central Trust team including a CEO, Head of School Improvement, Deputy Lead for School Improvement, Chief Operating Officer, Finance Manager, HR Manager and Estates Manager. In support of these leadership positions, two finance and administration assistants are also in post. An interim IT Managed Service Provider supports the delivery of IT support across the Trust. The Trustees also recognise that the central team needs to be further developed and strengthened in the future to provide an effective infrastructure to adequately support planned future expansion. This will be a key priority in the revised Trust Strategic Plan.
7. Building capacity is intrinsically linked to expanding the number of schools within the Trust and therefore this is the focus of the Trust strategic growth plan. However, this is not a strategy that is taken lightly by the Trustees: everyone involved in Ad Astra Academy Trust wants to expand but in a way that demonstrates a measured, prudent and professional approach. By doing so this will ensure that the schools that join Ad Astra Academy Trust do so in the knowledge that the organisation is prepared and structured to take on the intricacies of growing and developing a complex organisation. In February 2020, Barnard Grove Primary School successfully joined the Trust. Despite the challenge to growth that the COVID pandemic has presented, the Trust still have strong aspirations to grow.
8. All schools have continued to work closely with families to ensure each child is given support to achieve their potential. Strong partnership working with outside agencies including social services and family support teams has continued and is seen as a strength by these organisations in their work to improve social outcomes for those involved. Enhanced social and pastoral care for families has been even more critical following the COVID restrictions; all schools in the Trust have played a pivotal part in the COVID response and felt a deep sense of responsibility to ensure vulnerable families were supported, not only in terms of educational provision, but also in meeting their basic social and emotional needs.
9. The Trust has worked closely with key stakeholders to ensure a successful transition for all schools to academy status and in welcoming Barnard Grove to the Ad Astra Academy Trust family during the period. The conversion process involves detailed due diligence, consultation with parents, staff, Local Authority partners, educational partners and also other schools in the locality. The Trust and schools have a policy of open dialogue and intention to engage with partners rather than see the conversion as a purely school decision. The Trust has also spent a considerable amount of time in preparation for new schools joining the Trust. A commitment to partnership working with all stakeholders will see the Trust continue to experience a stable and enjoyable relationship with those people and organisations that are an integral part of the school community and therefore give the Trust the best chance of future success.
10. The Trust has devoted considerable time supporting the most recent sponsored primary school in the Trust (Ayresome Primary School) with recruitment, leadership and professional development.

The activities undertaken above to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 2 and 11 years.

Public Benefit

The Trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the Trust should undertake.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic Report

Achievements and Performance

During the period Ad Astra Academy Trust has undergone a significant further period of development and has achieved the following:

- The Trust has added to its portfolio of schools with the welcome addition of Barnard Grove Primary School on 1 February 2020.
- The Trust continues to review its governance arrangements to ensure they meet the needs of the organisation. In December 2019, the Members appointed Greg Baldwin into the vacant Member position, bringing the number of Members to the optimum level of five. Despite the resignation of two Trustees, Andy Steel (who also acted as Chair of the Trust Board) and Steve Hall in December 2019 and one further resignation from Adrian Morris in April 2020, the Trust appointed Ali Wilson and Richenda Broad to the Board. Both bring significant governance and social care skills and experience to the Trust.
- Our first sponsorship project, Rosebrook Primary School, has seen improvements across the school and it had its first OfSTED inspection since conversion in September 2019, where it achieved an overall 'good' judgement.
- The Annual DfE Trust Review and continued liaison with the Regional Schools' Commissioner and her team highlights the positive benefits that Ad Astra Academy Trust can bring to the academy agenda in the North East.
- With the impending retirement of one Headteacher (Brougham Primary School) and resignation of another (Rosebrook Primary School), the Trust completed a successful Headteacher designate recruitment exercise and made two excellent appointments. Both successful candidates take up their substantive Headteacher positions on 1 September 2020. A further appointment was also made to a vacant Deputy Headteacher position at West View Primary with the successful candidate taking up their role from Easter 2020.
- Against an uncertain and challenging educational landscape, schools have successfully put provisions in place to ensure continuity of learning for all pupils as well as effective communication, support and CPD for staff during the COVID pandemic. Where permitted and operationally possible, schools have ensured that they have remained open to support the families of vulnerable children and those of key workers.
- All schools have been crucial in providing essential support for families during the COVID pandemic, particularly those that are vulnerable, and this continued through periods of full and partial closure. They have managed an increase in safeguarding and social care issues and acted as a point of contact for isolated and struggling parents and children.
- The central team have successfully transitioned their operational arrangements to facilitate home-working, in order to reduce the risk of COVID transmission between the team. Business and digital efficiencies have been achieved to support this arrangement. This therefore ensures that, as far as possible, the team are available to provide educational and business support to schools.
- The central team have increased their knowledge of COVID-related guidance to allow effective and timely support for Headteachers in managing the implications of cases within schools.

AD ASTRA ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic Report (continued)

Achievements and Performance (continued)

Key Performance Indicators

Financial Performance

Figures pro-rata'd to a full academic year for comparison purposes.

Key Performance Indicator £'000	West View	West Park	Brougham	Rosebrook	Crooksbar	Ayresome	Barnard Grove
GAG Funding	1,665	1,072	1,312	1,840	950	2,906	1,290
Total Revenue Funding	2,355	1,401	1,877	2,544	1,293	3,800	1,617
Total staffing costs	1,733	1,030	1,410	1,859	948	2,719	1,320
Reserves as at 31/8/20	299	66	60	289	30	83	26
Total staff costs as a % of total funding	73.6%	73.5%	75.1%	73.1%	74.1%	73.4%	81.6%
Reserves as a % GAG	18.0%	6.2%	4.6%	15.7%	3.2%	2.9%	2.0%

The above KPI's come directly from the management accounts of the Trust, these may categorise items of income and expenditure differently to the statutory accounts.

Educational Performance 2020

Due to the COVID pandemic, there is no externally verified educational data available that can be reported this year. Internal monitoring agrees with all current OfSTED judgements.

Going Concern

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, despite the challenges that COVID has presented. 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.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic Report (continued)

Achievements and Performance (continued)

Promoting the success of the company

The Trust Board, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Trust for the benefit of its members, its pupils, its staff and the wider community and in doing so have regard to a range of matters when making decisions. Key decisions and matters that are of strategic importance to the Trust are appropriately informed by s172 factors.

The Trust Board makes decisions with a long-term view in mind and with the highest standards of conduct. Where possible, decisions are discussed with the affected groups and therefore fully understood and supported when taken. Reports are regularly made to the Board from the Chief Executive Officer about the Trust and the strategy and key performance decisions which are made. Regular reporting enables the Trust Board to stay in touch and make the decisions with the best interests of the Trust in mind. In addition, the Trust Board contains members from many interested areas including the sponsor, professional educators and the local business community so that their views are constantly considered when long term decisions are made.

The Trust Board are aware of the impact their decisions may have on the wider community and hold our reputation to the highest standards, ensuring that the Trust is compliant with laws and regulations whilst delivering the best service education to our pupils and students. We engage with the DfE, the ESFA and the Regional Schools Commissioner throughout the year and keep up to date with government regulations ensuring that any changes are acted on swiftly. In addition, we have regular internal audits to ensure that the controls operating with the Trust are operating effectively. The Trust Board is updated on legal and regulatory requirements and any control deficiencies on a regular basis and takes these into accounts when considering future actions.

Financial review

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/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 grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, the schools within the Trust receive Early Years funding from the Local Authority based on numbers of pupils at key census times. This is received termly in arrears. A similar grant is received in respect of funding for two-year-old children, again based on pupil numbers. Although each school receive SEN funding via the ESFA, top-up funding is provided by the Local Authority for children where it has been assessed that their need is such that it warrants one to one support from a teaching assistant.

The COVID pandemic has not adversely affected the grant funding element of the income received by the Trust and this has remained static.

During the period the Trust has also received a grant of £25,000 from the Department for Education to cover costs associated with the Barnard Grove Primary School conversion.

During the year ended 31 August 2020, total expenditure of £16,055,000 was exceeded by recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains and excluding fixed asset funds) was £1,177,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives. The in-year surplus, excluding the pension reserve and restricted fixed asset funds, was £200,000.

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

Financial review (continued)

At 31 August 2020 the net book value of fixed assets was £24,557,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The provisions of Financial Reporting Standard (FRS 102) have been applied in full in respect of the LGPS pension scheme, resulting in a deficit of £9,735,000 recognised on the Balance Sheet.

The Trust held fund balances at 31 August 2020 of £15,737,000 comprising £15,060,000 of restricted funds, including £9,735,000 deficit on the pension reserves, and £677,000 of unrestricted funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2020 was £745,000.

Reserves Policy

The Trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to ensure that the objectives and strategic plan of the Trust can be delivered efficiently and effectively. The level of reserves is reviewed by the Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the Trustees on an annual basis.

Ad Astra Academy Trust expects all schools within the Trust to hold contingency reserves from their annual funding or other income to cover unforeseen items of expenditure that have not been budgeted for or to cover the cost of transitional arrangements arising from operational changes such as a one-off staffing re-structure.

All schools within the Trust are expected to hold a financial reserve to the value of 6% of their annual GAG. If schools already hold 6% of their current GAG value, they are required to maintain this reserve and annually reassess this in line with their annual GAG statement to ensure they continue to meet this reserves policy. Where schools do not currently hold 6% of their GAG in reserves, and it is apparent that meeting this reserves policy within one financial year is unrealistic and would have a negative effect on the operation of the schools, they are afforded some flexibility to help support them to reach this target. In these circumstances, schools will be expected to reach a reserve level of 6% of their GAG within five years of their conversion into the Trust. Trustees will consider and, where appropriate, make allowances for exceptional circumstances where meeting this reserves policy will have a serious and detrimental effect on the school and its performance outcomes.

Schools will be required to annually assess their current reserve against this target (taking into consideration any changes to the GAG each year) calculate the differential and then factor this requirement into their annual budget planning process until they have reached the 6% requirement of this policy. As an example, if a school currently holds 4% of the value of their GAG in reserves they will be required to increase this by 2% to reach the 6% within five years. Some schools might be able to reach this within year two and in this scenario after year two they will only be required to maintain this in line with any GAG value changes. However, some schools may only be able to increase this by (subject to major fluctuations in the GAG) the value equivalent to 0.4% each year until they reach the expected level of reserve.

In order to ensure robust plans are in place to secure this level of reserve, Trustees will not grant final approval to budgets that do not take into consideration the requirements of this policy. Monitoring the level of reserves will also be a key performance indicator for the Trust going forward. Schools who are struggling to meet their reserve target will be offered more intensive support from the Trust Finance Manager.

In some circumstances a school may be required to use some of their reserves for the very reason that this policy is in place, such as the need to meet the cost of an unforeseen item of expenditure or to meet a statutory obligation that cannot be realistically covered within the planned budget. In this scenario schools will be required to revise their plans to meet this reserves policy taking into consideration the need to replace the reserves they have used. However, the Trust will ensure that in these circumstances no school is affected to the detriment of its performance or effective operation and the Trustees have the right to use the reserves of other schools to support in such circumstances. In cases such as this, more intensive financial planning support would be provided by the Trust to help determine the most appropriate way of reaching the requirement of this policy. Trustees will be required to approve recovery plans of this nature.

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

Reserves Policy (continued)

The COVID pandemic has not had a detrimental impact on financial reserves during the period, despite a slight change in the expenditure profile.

This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds).

The Trust's current level of free reserves is in surplus by £677,000. The Trustees continue to consider additional activities related to the Trust's objectives to which the excess reserves may be applied including:

- Development of the Trust estate to meet the needs of the children.
- Targeted support for specific school improvement needs that are additional to normal, on-going commitments.
- Effectively and efficiently manage any changes to Trust staffing structures.
- Building capacity within the Trust to facilitate future growth.

Investment Policy

The Trust can invest surplus funds through money market accounts and during the period have invested up to £300,000 in a higher-interest Lloyds bank 32-day notice account. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum. The aim of the Trust is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good fund management to be used as and when circumstances allow.

Principal Risks and Uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition, the Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Trust Balance Sheet.

As normal, the Trustees have assessed the major risks, to which the Trust is exposed, in particular those relating specifically to teaching provision, facilities and other operational areas of the Trust and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to staffing, health and safety, pupil behaviour and school visits) and in relation to the control of finance. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The COVID pandemic has undoubtedly presented significant challenges for the Trust in terms of risk and uncertainty, the likes of which have never been seen for a number of years. The central Trust team have taken responsibility for a centralised and coordinated approach to COVID risk assessment, both in terms of health and safety and business risk to ensure consistency; an approach approved by Trustees. The major risk factor is the ability for schools to deliver an educational provision and achieve good performance against a backdrop of rising COVID levels and potential partial closures. In addition, the impact on staff wellbeing with increased workload is another significant risk concern which must be managed.

The Trust has fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received training in this area in addition to training in Safeguarding.

The Trust is subject to a number of risks and uncertainties in common with other academies. The Trust has in place procedures to identify and mitigate financial risks.

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

Fundraising

The schools within Ad Astra Academy Trust do normally engage in fundraising activities throughout the year for a variety of reasons. These include:

- Raising money for established national charities such as Children in Need and Comic Relief as well as smaller, local charities in the community. In these circumstances, schools simply act as an agent, with the amount raised going directly to the charity in question.
- Raising money for equipment and resources for the school, often in conjunction with parent associations and support groups.
- Requests for donations to support the costs of educational visits.

The impact of the COVID pandemic has meant that levels of fundraising have dropped during the period, due to the drop in pupil numbers physically attending schools and also in recognition of the fact that parents may not have the income to support fundraising initiatives. The schools appreciate the negative impact that COVID has had on levels of parental income and do not wish to place any additional financial strain on families.

The schools within the Trust do not engage with professional fundraisers to act on their behalf, and do not employ fundraising tactics that could be deemed to be unreasonably intrusive or persistent. It is always made clear and is written in the Charging and Remissions Policy, that any requests for donations are made entirely on a voluntary basis and that no child will suffer any detriment should parents or carers fail to make a donation. Fundraising activities are often advertised via letters home, school social media pages, newsletters and text messages. During the period there have been no formal complaints received by the Trust in relation to its fundraising activities or that of its schools.

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

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

	2020
Energy consumption used to calculate emissions (kWh)	2,485,321
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	340.60
Total scope 1	<u>340.60</u>
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	147.57
Total gross emissions (in tonnes of CO2 equivalent):	<u>488.17</u>
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	<u>0.174343</u>

Quantification and Reporting Methodology:-

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

Intensity measurement

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

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. We are also exploring energy efficiency initiatives including investing in LED lighting, use of PV electricity generation, air source and ground source solutions.

During the year there were no scope 3 emissions, business travel in employee-owned or rental vehicles.

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

Plans for Future Periods

The Trustees continue to hold the CEO to account for the Trust strategic plan which identifies future Trust growth as a priority moving forward. The approval of sponsorship status in July 2015 has given the Trustees the ability to allow schools who require additional support in order to achieve a good or outstanding OfSTED grade to join the Trust. This has opened up the availability of market share substantially which will provide increased opportunities for growth. Taking this into consideration, the broad strategic objectives of the Trust are:

- To review the Trust Strategic Plan and aligned integrated curriculum financial planning model to ensure a clear business focus and effective resource allocation to best meet the needs of schools.
- To re-focus energy on the Trust growth strategy; in line with previous aspirations to grow, the Trust expects progress regarding this objective to be achieved during the financial year 2020/21.
- To review educational baseline data for all pupils to inform an action plan to address any gaps in curriculum coverage and pupil knowledge and skills as a result of the impact of COVID. Furthermore, to ensure robust remote education plans are in place to allow educational provision to continue in light of any further COVID restrictions.
- To further research and upskill the central and school leadership teams in respect of COVID; identifying areas of best practice and ensuring effective application of Government guidance to safeguard continued operational delivery and the safety of all pupils and staff.
- To develop an over-arching procurement strategy for the Trust to ensure best value for money.
- Any school that joins the Trust will be required to undergo a stringent and evaluated due diligence process to ensure that educational and business risk is minimised as far as possible.
- To review and update the Trust website to ensure its relevance and appeal to existing and prospective stakeholders. To also ensure a consistent Ad Astra Academy Trust 'thread' is woven into the online presence of the Trust and its schools.
- Strategic governance will be reviewed in light of any business growth, skills gaps and scrutiny from the DfE. A review of local governance will also be undertaken to ensure this remains effective and efficient.
- To further strengthen the central Trust team of staff to provide additional skills and expertise to critical areas of the business. This will also enhance to the reputation of Ad Astra Academy Trust to prospective schools.

Funds Held as Custodian Trustee on Behalf of Others

During the period, Ad Astra Academy Trust has not held any funds as a custodian Trustee on behalf of others.

Auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2020 and signed on its behalf by:



C J Simmons
Chair

AD ASTRA ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Ad Astra Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the period, although on six occasions this has been undertaken virtually, due to COVID restrictions.

Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C J Simmons, Chair of Trustees	8	8
R Priestman, Vice Chair of Trustees	6	8
A Steel, (resigned 14 December 2019)	2	2
A A Brown OBE, Chief Executive Officer and Accounting Officer	8	8
G Brown	7	8
R C Broad, (appointed 3 April 2020)	5	6
Father G Buttery	7	8
M E Elwell, (appointed 6 November 2020)	0	0
S Hall (resigned 14th December 2019)	1	2
J G Maddison, (appointed 6 November 2020)	0	0
A C A Morris, (resigned 22 April 2020)	1	2
A Pattison, (resigned 14 September 2020)	7	8
A Wilson, (appointed 13 December 2019)	5	7

The governance structure has seen some turbulence during the period, with three resignations (due to personal commitments). However, the Trustees have been proactive in reviewing the Trust Board composition and establishing the required skillset for replacement Trustees. This resulted in two female appointments during the period, which not only brought superb skills and experience in the areas of corporate governance and children's social care but also addressed an issue with gender balance on the Trust Board. The Trustees have also commissioned a review of governance to incorporate local governing bodies in the Autumn term 2020.

The Trust continues to work collaboratively to establish a board which now has a range of skills and expertise in areas such as finance, IT, leadership, business, governance, education and social care to ensure an effective Trust that clearly understands its responsibilities and accountabilities.

The Trustees currently operate two layers of governance at board level. All Trustees consider each area of Trust operations as a collective body aided by the two Trust committees; Resources and Compliance and Standards.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Standards Committee

Attendance during the period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A A Brown OBE	2	2
Father G Buttery	1	2
S Hall (resigned as Trustee on 14 December 2019)	1	1
C Simmons	2	2
A Steel (resigned as Trustee on 14 December 2019)	1	1
A Wilson, (joined committee from December 2019)	0	1

Resources and Compliance Committee

Attendance during the period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Priestman, Chair	4	4
A A Brown OBE	4	4
G Brown	2	4
S Hall (resigned as Trustee on 14 December 2019)	0	1
C Simmons (joined committee from December 2019)	3	3
A Steel (resigned as Trustee on 14 December 2019)	0	1
A Wilson (joined committee from December 2019)	2	3

AD ASTRA ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Improving Educational Performance

- The majority of schools within Ad Astra Academy Trust have continued to deliver strong educational performance with Trust averages showing positive trends over the last three reportable years. We have developed challenging assessment frameworks and have a targeted focus on self-review: identifying and acting on improvements as a result of this. Some schools have had independent moderation of their self-review systems by a School Improvement Partner and all by colleague peer reviewers. Collaboration at senior and middle leadership as well as at classroom teacher level continues to bring significant benefits in terms of moderation and sharing good practice. Despite some schools being socially diverse they have embraced the value of collaboration and are keen to build upon this. Collaboration is described as a strength by schools within the Trust.
- A consistent approach to assessment and data management as well as the presentation of key school documentation such as the school development plan and self-evaluation form has been invaluable in bringing the schools together as one. Through professional dialogue and debate a standard has been agreed that allows internal and external stakeholders to effectively analyse key performance indicators and performance. In turn this ensures that performance is at the heart of every layer of the Trust from Members and Trustees to operational staff delivering the business.
- Centralisation of business support functions continues to allow the leadership teams within each school to focus on educational priorities and outcomes rather than being distracted by finance, governance, estates, IT, HR and policy development. While the Headteachers within each school remain very involved in these aspects: the focus has changed from operational involvement to being briefed from senior business support staff. The impact of the central Trust team has been acknowledged in previous OfSTED inspections that have taken place.
- Leadership of the COVID risk assessment process provided schools with an overarching template, so not only did they not have to undertake this new piece of work in isolation, but it also gave reassurance to Headteachers that it was compliant with Government guidance. This therefore afforded Headteachers the time to concentrate on the operational elements pertinent to their school.
- COVID restrictions required all staff to embrace more virtual working practices, which although were not planned for, they were accepted and supported. This resulted in a more resource efficient way of conducting formal and informal communication and meetings, which has also had the effect of a significant reduction in travelling time. The latter has further contributed to time efficiencies, but also a reduction in mileage costs. Overall, staff have reported the ability to achieve more in terms of workload. The Trust has also seen an increase in attendance at virtual meetings due to the more efficient nature of delivery.
- Financial processing efficiencies have also been achieved by the central finance team, who have adopted increased electronic methods in transactional finance. This has resulted in effective remote working without compromising the integrity of the financial procedures and internal controls in place. It is unlikely that once COVID restrictions are lifted that these will cease; it is the intention that these processes will continue as they have proved to be more efficient in terms of time savings and physical resources.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Income Generation

The Trust continues to seek opportunities to maximise income into the Trust. Particularly in schools where social deprivation factors are high, there has been a significant amount of work undertaken to ensure that families that are entitled to free school meals actually apply for them so that the school can ensure that the correct level of funding is received. This is especially important not only for pupil premium funding but also for other funding factors that rely on free school meal data in their calculation. Following the introduction of the universal free school meal scheme for reception and key stage one children, some families have been unaware of the financial impact that not applying for free school meals can have on their child's school. By ensuring that correct data is recorded has meant that the schools can feel confident they are receiving the correct level of funding for their need.

Barnard Grove Primary School joined the Trust in February 2020. As part of this, the Trust secured £25,000 from the DfE as a conversion grant to cover the costs associated with this process.

In addition to these larger income generation opportunities, the following smaller income streams were received into the Trust during the period:

- The Headteacher of Brougham Primary School has National Leader of Education status and as such has generated grant income of £15,465 from the Department for Education for her work in supporting schools and delivering school improvement initiatives.
- Brougham Primary School were able to obtain £1,000 from Kelloggs to assist with on-going running costs of their breakfast club and keep costs low for parents.
- Ayresome Primary School were also able to receive support for the delivery of their breakfast club having received £450 from Greggs.
- Ayresome Primary School also secured £1,000 from the Barclays Charities Trust. The school were required to match this with their own funds and used the funding on music initiatives.
- Ayresome Primary School were also successful in a bid for funding to support English initiatives from Westgarth Primary School's English Hub. The school received £8,850 throughout the year and spent this on phonics training, books and resources
- Ayresome and Crooksbar Primary Schools both received funding for their participation in with the Archimedes North East Hub, led by Carmel College in Darlington, to support continuous improvement of mathematics education. Ayresome received £100 and Crooksbar £1,350.
- The Trust received £1,500 funding as an incentive payment for taking on apprentices aged between 16 and 18. The Trust are committed to raising the number of apprenticeship posts on their structure.
- Several schools in the Trust were successful in receiving financial grants in recognition of their work supporting university students undertaking teacher training. West Park received £2,000 from Durham University and Brougham Primary School received £1,250. Crooksbar Primary School received £2,100 from the University of Sunderland and Rosebrook Primary received £1,919.74 from the SCITT programme. In addition, Rosebrook Primary received £1,250 from Durham University.
- West View Primary School also received income streams from the delivery of sporting activities. They received £2,000 as their Extended Schools Manager undertook the role of School Sports Coordinator. Funding was lower than in previous years due to a reduced service being provided as a result of partial school closures.
- West View Primary School received £9,000 Ethnic Minority Funding from the Home Office which has been received as part of the refugee resettlement scheme for several Syrian pupils who have joined the school. Funding covers the gap between funding received following the school census and the children going on roll and also recognises the additional support that is likely to be required.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Income Generation (continued)

- A number of schools were able to generate additional income whilst hiring out their halls and other facilities to groups within their local communities. West Park received £570 for hiring their hall to a local boy scout group. West View generated £6,693.30 for hiring out their sports hall and multi-use games area to local football and rugby clubs and Rosebrook received £2,249 for hiring their hall to local church groups.
- A number of schools were successful in receiving Capital Improvement Funds linked to major premises improvements. The Parent Teacher Association (PTA) at West View Primary School had been fundraising for a period of time towards drainage improvements. The school had to make a partial contribution towards this scheme and the PTA donated £5,000 with another £10,000 being donated by local business TMD Friction.
- West Park Primary School were also in receipt of donations from their local fundraising group, Friends of West Park. The group donated £11,079.47 which allowed the school to proceed with a number of purchases and initiatives which were not included in their budget including purchase of iPads, outdoor and gardening resources and leavers books.
- Ayresome Primary School received donations totalling £900 from Middlesbrough & Teesside Philanthropic Foundation. The donation was used to assist parents financially by purchasing winter coats for children.
- Rosebrook Primary School received a £5,000 capital grant from Stockton-on-Tees Borough Council. This was to purchase additional resources linked to increasing the school's nursery provision to 30 hours per week.
- The Community Fund Panel representing Thirteen Housing Group awarded Crooksbarrow Primary School £1,362.79. The funding was used to purchase outdoor resources including storage benches, folding chairs, gardening tools and a summer house / learning area.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ad Astra Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports, including monthly management accounts which are reviewed and agreed by the Board of Trustees
- regular reviews by the Resources and Compliance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 decided to employ Davies Tracey (Chartered Accountants and Business Advisers) as internal auditor.

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

- Testing of payroll systems
- Testing of purchase and procurement systems
- Testing of income systems
- Testing of control account/bank reconciliations
- Testing of business risk

On a periodic basis, the internal auditor reports to the Board of Trustees through the Resources and Compliance Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.


Review of effectiveness

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

- The work of the internal auditor;
- The work of the external auditors;
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources and Compliance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 11 December 2020 and signed on their behalf by:


C J Simmons
Chair


A A Brown OBE
Accounting Officer

AD ASTRA ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



A A Brown OBE
Accounting Officer
Date: 11 December 2020

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

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



C J Simmons
Chair

Date: 11 December 2020

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
ASTRA ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
ASTRA ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AD
ASTRA ACADEMY TRUST (CONTINUED)**

Responsibilities of Trustees

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

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

Auditors' 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 Auditors' 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 Auditors' Report.

Use of our report

This report is made solely to the trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants & Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

11 December 2020

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AD ASTRA
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 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 Ad Astra Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Ad Astra Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Ad Astra Academy Trust's funding agreement with the Secretary of State for Education dated 22 December 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions
- Review of registers of interests;
- Review related party transactions;

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

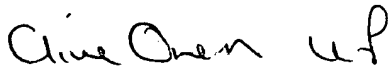
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AD ASTRA
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach (Continued)

- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

Conclusion

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



Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 11 December 2020

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer from Local Authority on conversion		64	(665)	3,440	2,839	4,857
Other donations and capital grants		15	-	101	116	843
Charitable activities	4	138	14,580	-	14,718	12,155
Other trading activities	5	215	-	-	215	234
Investments	6	1	-	-	1	1
Total income		433	13,915	3,541	17,889	18,090
Expenditure on:						
Charitable activities	7	252	15,273	530	16,055	13,190
Total expenditure		252	15,273	530	16,055	13,190
Net income/ (expenditure)		181	(1,358)	3,011	1,834	4,900
Transfers between funds	18	-	(116)	116	-	-
Net movement in funds before other recognised gains/(losses)		181	(1,474)	3,127	1,834	4,900
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(3,972)	-	(3,972)	(1,941)
Net movement in funds		181	(5,446)	3,127	(2,138)	2,959

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Note					
Reconciliation of funds:					
Total funds brought forward	496	(4,221)	21,600	17,875	14,916
Net movement in funds	181	(5,446)	3,127	(2,138)	2,959
Total funds carried forward	<u>677</u>	<u>(9,667)</u>	<u>24,727</u>	<u>15,737</u>	<u>17,875</u>

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09308398

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	24,557	21,322
		<u>24,557</u>	<u>21,322</u>
Current assets			
Debtors	15	967	1,206
Cash at bank and in hand		884	1,068
		<u>1,851</u>	<u>2,274</u>
Creditors: amounts falling due within one year	16	(864)	(1,451)
		<u>987</u>	<u>823</u>
Net current assets			
		<u>25,544</u>	<u>22,145</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	(72)	-
		<u>25,472</u>	<u>22,145</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(9,735)	(4,270)
		<u>15,737</u>	<u>17,875</u>
Total net assets			
		<u><u>15,737</u></u>	<u><u>17,875</u></u>

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09308398

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	24,727	21,600
Restricted income funds	18	68	49
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	24,795	21,649
Pension reserve	18	(9,735)	(4,270)
		<hr/>	<hr/>
Total restricted funds	18	15,060	17,379
Unrestricted income funds	18	677	496
		<hr/>	<hr/>
Total funds		15,737	17,875

The financial statements on pages 32 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



C J Simmons

Chair

Date: 11 December 2020

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	84	286
Cash flows from investing activities	22	(348)	188
Cash flows from financing activities	21	80	-
Change in cash and cash equivalents in the period		(184)	474
Cash and cash equivalents at the beginning of the period		1,068	594
Cash and cash equivalents at the end of the period	23, 24	<u>884</u>	<u>1,068</u>

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable 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 incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

• **Donations**

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

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

- **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

1.5 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.6 Tangible fixed assets

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Long leasehold property	- over 50 years
Long leasehold land	- over 125 years
Computer equipment	- over 3 years
Furniture and equipment	- over 5 years
Motor vehicles	- over 5 years

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.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.9 Taxation

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

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

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

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Conversion to an academy trust

The conversion from a state maintained school to an academy involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Barnard Grove Primary School to the Trust have been valued at their fair value. The fair value has been derived based on a historical valuation received from Hartlepool Borough Council. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Valuation of property - As the ESFA have not yet carried out the land and buildings valuation for the property on conversion, Trustees have based the land valuation on the average value of land in the area. The school building was newly built by the ESFA in 2014, Trustees have based the valuation on the reported build cost.

Any material difference arising from the chosen valuation method and the forthcoming ESFA valuation will be assessed and, should the need arise in future financial statements, a prior year adjustment may be made to reflect the ESFA valuation.

Further details of the transaction are set out in note 25.

AD ASTRA ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £497,000.

Critical areas of judgment:

Land & Buildings - Land & buildings are held under a 125 year lease from Hartlepool Borough Council, Stockton Borough Council and Middlesbrough Borough Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

Valuation of property - As the ESFA have not yet carried out the land and buildings valuation for the property on conversion, Trustees have based the land valuation on the average value of land in the area. The school building was newly built by the ESFA in 2014, Trustees have based the valuation on the reported build cost.

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3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Transfer from Local Authority on conversion	64	(665)	3,440	2,839	4,857
	<u>64</u>	<u>(665)</u>	<u>3,440</u>	<u>2,839</u>	<u>4,857</u>
Donations	15	-	15	30	27
Capital Grants	-	-	86	86	816
	<u>15</u>	<u>-</u>	<u>101</u>	<u>116</u>	<u>843</u>
Subtotal	<u>79</u>	<u>(665)</u>	<u>3,541</u>	<u>2,955</u>	<u>5,700</u>
	<u>27</u>	<u>(237)</u>	<u>5,910</u>	<u>5,700</u>	
Total 2019					

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4. Funding for the Trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	10,501	10,501	8,684
Start Up Grants	-	25	25	90
Pupil Premium	-	1,495	1,495	1,246
PE and Sport Premium	-	126	126	108
UIFSM	-	241	241	239
Rates	-	39	39	34
Teachers' pay grant	-	134	134	34
Other DfE Group grants	-	457	457	69
	-	13,018	13,018	10,504
Other government grants				
SEN	-	306	306	259
Early Years Funding	-	1,166	1,166	1,044
Local Authority grants	-	84	84	64
Other Government grants	-	6	6	74
	-	1,562	1,562	1,441
Other funding				
Income from academies	5	-	5	57
Student Trips	44	-	44	41
Student Catering	89	-	89	112
	138	-	138	210
	138	14,580	14,718	12,155
Total 2019	210	11,945	12,155	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Rental and lettings income	9	9	13
Receipts from Supply Teachers Insurance claims	107	107	72
RPA Claims	7	7	4
Other income	92	92	145
	<u>215</u>	<u>215</u>	<u>234</u>
Total 2019	<u>234</u>	<u>234</u>	

6. Investment income

	Total funds 2020 £000	Total funds 2019 £000
Bank interest	<u>1</u>	<u>1</u>

Bank interest income received in 2020 and 2019 was unrestricted.

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Trust's educational operations:					
Direct costs	11,514	-	664	12,178	9,422
Allocated support costs	1,294	1,184	1,399	3,877	3,768
	<u>12,808</u>	<u>1,184</u>	<u>2,063</u>	<u>16,055</u>	<u>13,190</u>
Total 2019	<u>10,138</u>	<u>1,086</u>	<u>1,966</u>	<u>13,190</u>	

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7. Expenditure (continued)

In 2020, of the total expenditure, £252,000 (2019 - £406,000) was to unrestricted funds, £530,000 (2019 - £476,000) was to restricted fixed asset funds and £15,273,000 (2019 - £12,308,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts

There were no ex-gratia payments in the period

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Trust's educational operations	12,178	3,877	16,055	13,190
Total 2019	9,422	3,768	13,190	

Analysis of direct costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	11,514	11,514	8,806
Educational supplies	264	264	269
Technology costs	23	23	13
Educational consultancy	252	252	225
Supply insurance	117	117	102
Transport	8	8	7
	12,178	12,178	9,422
Total 2019	9,422	9,422	

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's educational operations 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Net interest cost on pension scheme	83	83	44
Staff costs	1,294	1,294	1,332
Depreciation	497	497	432
Staff development	43	43	41
Technology costs	235	235	195
Staff expenses	18	18	65
Maintenance of premises	155	155	243
Cleaning	231	231	194
Other premises costs	123	123	105
Energy	130	130	88
Rent & rates	69	69	57
Insurance	55	55	48
Operating lease rentals	26	26	23
Catering	684	684	640
Legal costs - conversion	10	10	11
Legal costs - other	3	3	5
Security	7	7	1
Other costs	196	196	222
Governance costs	18	18	22
	<u>3,877</u>	<u>3,877</u>	<u>3,768</u>
Total 2019	<u>3,768</u>	<u>3,768</u>	

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9. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	41	36
Depreciation of tangible fixed assets	497	432
Fees paid to auditors for:		
- audit	11	11
- other services	2	7
	<u>11</u>	<u>18</u>

10. Staff

a. Staff costs

Staff costs during the period were as follows:

	2020 £000	2019 £000
Wages and salaries	9,147	7,639
Social security costs	838	664
Pension costs	2,606	1,645
	<u>12,591</u>	<u>9,948</u>
Supply costs	158	178
Staff restructuring costs	59	12
	<u>12,808</u>	<u>10,138</u>

Included within Operating costs of defined benefit pension schemes is a debit of £745,000 (2019: £429,000) in respect of the pension actuarial adjustment.

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	-	12
Severance payments	59	-
	<u>59</u>	<u>12</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,000 (2019: £Nil). This payment was made to a single individual.

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10. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	134	111
Admin & Support	245	218
Management	30	25
	<u>409</u>	<u>354</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
	<u>7</u>	<u>7</u>

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,295,000 (2019 £1,101,000). The increase in key management personnel is due to the growth of the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- Financial services
- IT
- HR
- Legal support services
- Educational support services
- Estates

The Trust charges for these services on the following basis:

Based on flat 5.25% - 6.5% of recurring income.

The actual amounts charged during the period were as follows:

	2020 £000	2019 £000
West View Primary School	95	92
West Park Primary School	63	61
Brougham Primary School	74	70
Rosebrook Primary School	107	124
Crooksbar Primary School	57	53
Ayresome Primary School	209	128
Barnard Grove Primary School	44	-
Total	649	528

12. Trustees' remuneration and expenses

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

		2020 £000	2019 £000
A A Brown (CEO and Trustee)	Remuneration	65 - 70	65 - 70
	Pension contributions paid	-	0 - 5

During the period ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2019	22,118	198	306	27	22,649
Additions	260	29	36	-	325
Acquired on conversion	3,400	-	7	-	3,407
At 31 August 2020	25,778	227	349	27	26,381
Depreciation					
At 1 September 2019	997	113	210	7	1,327
Charge for the period	396	34	62	5	497
At 31 August 2020	1,393	147	272	12	1,824
Net book value					
At 31 August 2020	24,385	80	77	15	24,557
At 31 August 2019	21,121	85	96	20	21,322

15. Debtors

	2020 £000	2019 £000
Trade debtors	10	10
VAT repayable	-	155
Prepayments and accrued income	957	1,040
Other debtors	-	1
	967	1,206

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16. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Other loans	8	-
Trade creditors	415	934
Other creditors	18	15
Accruals and deferred income	423	502
	<u>864</u>	<u>1,451</u>
	2020 £000	2019 £000
Deferred income		
Deferred income at 1 September 2019	191	223
Resources deferred during the period	147	191
Amounts released from previous periods	(191)	(223)
Deferred income at 31 August 2019	<u>147</u>	<u>191</u>

At the Balance Sheet date the Trust was holding funds received in advance for UIFSM grant relating to the following academic year.

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

	2020 £000	2019 £000
Other loans	<u>72</u>	<u>-</u>

Other loans includes CIF loans totaling £80,000 (2019: £Nil) from the ESFA. CIF loans have an annual interest rate of 2.29% repayable through GAG over a 10 year period on a monthly basis.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted income	496	433	(252)	-	-	677
Restricted general funds						
General Annual Grant (GAG)	-	10,501	(10,336)	(116)	-	49
Conversion grant	-	25	(25)	-	-	-
Pupil Premium	-	1,495	(1,495)	-	-	-
Other DfE/ESFA grants	49	997	(1,027)	-	-	19
SEN	-	306	(306)	-	-	-
Other Government grants	-	1,256	(1,256)	-	-	-
Pension reserve	(4,270)	(665)	(828)	-	(3,972)	(9,735)
	<u>(4,221)</u>	<u>13,915</u>	<u>(15,273)</u>	<u>(116)</u>	<u>(3,972)</u>	<u>(9,667)</u>

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Restricted fixed asset funds						
Legacy Assets	20,455	3,407	(390)	-	-	23,472
Devolved Formula Capital	184	93	(58)	-	-	219
GAG capital expenditure	119	-	(61)	116	-	174
Academy Conversion Grant	1	-	-	-	-	1
Sports England	15	-	-	-	-	15
CIF funding	808	26	(15)	10	-	829
Awards for all	5	-	(2)	-	-	3
PE and sport grant	1	-	(1)	-	-	-
Sunshine Coaches/ Variety club	12	-	(3)	-	-	9
Donations	-	15	-	(10)	-	5
	<u>21,600</u>	<u>3,541</u>	<u>(530)</u>	<u>116</u>	<u>-</u>	<u>24,727</u>
Total Restricted funds	<u>17,379</u>	<u>17,456</u>	<u>(15,803)</u>	<u>-</u>	<u>(3,972)</u>	<u>15,060</u>
Total funds	<u>17,875</u>	<u>17,889</u>	<u>(16,055)</u>	<u>-</u>	<u>(3,972)</u>	<u>15,737</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Trust including salaries and related costs, overheads, repairs and maintenance and insurance.

Academy Conversion Grant is to be used to cover costs of the initial conversion to an academy for each school.

Pupil Premium is additional funding to be spent as the Trust sees fit to support deprived students.

Other DfE/ESFA grants consist of Teachers Pension grants to be used to fund increase in employer contributions rates, PE grants to be used in the provision of PE services, rates relief income, and Infant Free School Meals, to be spent on catering for the pupils.

SEN income is to provide additional educational support for higher need pupils.

Other Government grants relate to funding received from Local Authorities for the provision of early years

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18. Statement of funds (continued)

services.

The pensions reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 27.

The restricted fixed asset funds represent monies received to purchase fixed assets and fund maintenance. Depreciation is charged against each fund over the useful economic life of the associated assets.

A transfer of £116,000 has been made to Capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies. In addition, £10,000 has been transferred from capital donations to CIF relating to donations towards CIF projects.

Unrestricted funds include the income from catering with the relevant costs allocated accordingly.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
West View Primary School	299	306
West Park Primary School	66	79
Brougham Primary School	60	62
Rosebrook Primary School	289	155
Crooksbarrow Primary School	30	47
Ayresome Primary School	83	17
Barnard Grove Primary School	26	-
Central	(108)	(121)
Total before fixed asset funds and pension reserve	745	545
Restricted fixed asset fund	24,727	21,600
Pension reserve	(9,735)	(4,270)
Total	15,737	17,875

The Central fund deficit has been incurred due to staffing up for future expansion which didn't take place in the time expected. However, the Trust expects to have a further school to convert into the Trust and will receive a full year of contributions from Barnard Grove Primary School during the 2020/21 accounting period which will help to cover the central team costs and reduce the deficit over time.

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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
West View Primary School	1,733	161	47	395	2,336	2,350
West Park Primary School	1,030	117	40	220	1,407	1,336
Brougham Primary School	1,410	87	26	307	1,830	1,806
Rosebrook Primary School	1,859	218	40	297	2,414	2,461
Crooksbar Primary School	958	81	37	233	1,309	1,254
Ayresome Primary School	2,791	230	60	649	3,730	2,401
Barnard Grove Primary School	770	117	12	133	1,032	-
Central	963	283	2	252	1,500	1,150
Academy	11,514	1,294	264	2,486	15,558	12,758

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18. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted income	430	472	(406)	-	-	496
Restricted general funds						
General Annual Grant (GAG)	-	8,684	(8,623)	(61)	-	-
Conversion grant	-	90	(90)	-	-	-
Pupil Premium	-	1,246	(1,246)	-	-	-
Other DfE/ESFA grants	1	484	(435)	(1)	-	49
SEN	-	259	(259)	-	-	-
Other Government grants	-	1,182	(1,182)	-	-	-
Pension reserve	(1,619)	(237)	(473)	-	(1,941)	(4,270)
	<u>(1,618)</u>	<u>11,708</u>	<u>(12,308)</u>	<u>(62)</u>	<u>(1,941)</u>	<u>(4,221)</u>
Restricted fixed asset funds						
Legacy Assets	15,699	5,094	(338)	-	-	20,455
Devolved Formula Capital	68	147	(31)	-	-	184
GAG capital expenditure	110	-	(52)	61	-	119
Academy Conversion Grant	1	-	-	-	-	1
Sports England	15	-	-	-	-	15
CIF funding	187	669	(48)	-	-	808
Awards for all	7	-	(2)	-	-	5

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
PE and sport grant	1	-	(1)	1	-	1
Sunshine Coaches/ Variety club	15	-	(3)	-	-	12
Donations	1	-	(1)	-	-	-
	<u>16,104</u>	<u>5,910</u>	<u>(476)</u>	<u>62</u>	<u>-</u>	<u>21,600</u>
Total Restricted funds	<u>14,486</u>	<u>17,618</u>	<u>(12,784)</u>	<u>-</u>	<u>(1,941)</u>	<u>17,379</u>
Total funds	<u>14,916</u>	<u>18,090</u>	<u>(13,190)</u>	<u>-</u>	<u>(1,941)</u>	<u>17,875</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	24,557	24,557
Current assets	677	1,004	170	1,851
Creditors due within one year	-	(864)	-	(864)
Creditors due in more than one year	-	(72)	-	(72)
Provisions for liabilities and charges	-	(9,735)	-	(9,735)
Total	<u>677</u>	<u>(9,667)</u>	<u>24,727</u>	<u>15,737</u>

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

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	21,322	21,322
Current assets	504	1,064	706	2,274
Creditors due within one year	(8)	(1,015)	(428)	(1,451)
Provisions for liabilities and charges	-	(4,270)	-	(4,270)
Total	496	(4,221)	21,600	17,875

20. Reconciliation of net income to net cash flow from operating activities

	2020 £000	2019 £000
Net income for the period (as per Statement of Financial Activities)	1,834	4,900
Adjustments for:		
Depreciation	497	432
Capital grants from DfE and other capital income	(134)	(816)
Interest receivable	(1)	(1)
Defined benefit pension scheme obligation inherited	665	237
Defined benefit pension scheme cost less contributions payable	745	429
Defined benefit pension scheme finance cost	83	44
Decrease/(increase) in debtors	13	(112)
(Decrease)/increase in creditors	(211)	267
Assets inherited on conversion	(3,407)	(5,094)
Net cash provided by operating activities	84	286

21. Cash flows from financing activities

	2020 £000	2019 £000
Cash inflows from CIF loans	80	-
Net cash provided by financing activities	80	-

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22. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(709)	(203)
Capital grants from DfE Group	360	390
Net cash (used in)/provided by investing activities	(348)	188

23. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	584	1,068
Notice deposits (less than 3 months)	300	-
Total cash and cash equivalents	884	1,068

24. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	1,068	(184)	884
Debt due within 1 year	-	(8)	(8)
Debt due after 1 year	-	(72)	(72)
	1,068	(264)	804

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NOTES TO THE FINANCIAL STATEMENTS
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25. Conversion to an academy trust

On 1 February 2020 Barnard Grove Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ad Astra Academy Trust from Hartlepool Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	3,400	3,400
Other tangible fixed assets	-	-	7	7
Current assets				
Cash - representing budget surplus on LA funds	64	-	33	97
LGPS pension surplus/(deficit)	-	(665)	-	(665)
Net assets/(liabilities)	<u>64</u>	<u>(665)</u>	<u>3,440</u>	<u>2,839</u>

26. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>184</u>

27. Pension commitments

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

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,306,000 (2019 - £739,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 period ended 31 August 2020 was £738,000 (2019 - £632,000), of which employer's contributions totalled £555,000 (2019 - £471,000) and employees' contributions totalled £ 183,000 (2019 - £161,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.20	3.00
Rate of increase for pensions in payment/inflation	2.20	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.00
Commutation of pensions to lump sums	80.00	80.00

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

	2020 Years	2019 Years
Retiring today		
Males	21.8	21.9
Females	23.5	23.8
Retiring in 20 years		
Males	23.2	23.6
Females	25.3	25.7

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(573)	(338)
Discount rate -0.1%	592	347
Mortality assumption - 1 year increase	(687)	(403)
Mortality assumption - 1 year decrease	687	408
CPI rate +0.1%	477	209
CPI rate -0.1%	(458)	(205)

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27. Pension commitments (continued)

Share of scheme assets

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

	2020 £000	2019 £000
Equities	7,107	5,923
Property	748	651
Cash and other liquid assets	1,085	985
Other	411	194
Total market value of assets	9,351	7,753

The actual return on scheme assets was (£29,000) (2019 - £394,000).

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

	2020 £000	2019 £000
Current service cost	(1,295)	(674)
Past service cost	(5)	(183)
Interest income	164	188
Interest cost	(247)	(232)
Total amount recognised in the Statement of Financial Activities	(1,383)	(901)

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

	2020 £000	2019 £000
Opening defined benefit obligation	12,023	7,200
Current service cost	1,295	674
Interest cost	247	232
Employee contributions	183	145
Actuarial losses	3,779	2,147
Benefits paid	40	(277)
Past service costs	5	183
Inherited on conversion	1,514	1,719
Closing defined benefit obligation	19,086	12,023

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

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

	2020 £000	2019 £000
Opening fair value of scheme assets	7,753	5,581
Interest income	164	188
Actuarial (losses)/gains	(193)	206
Employer contributions	555	428
Employee contributions	183	145
Benefits paid	40	(277)
Inherited on conversion	849	1,482
Closing fair value of scheme assets	<u>9,351</u>	<u>7,753</u>

28. Operating lease commitments

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

	2020 £000	2019 £000
Amounts payable:		
Within 1 year	16	21
Between 1 and 5 years	-	16
	<u>16</u>	<u>37</u>

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NOTES TO THE FINANCIAL STATEMENTS
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29. Related party transactions

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

Expenditure related party transactions

West View Project Community Interest Company - a charity in which C Simmons (a Trustee of the Trust) has an involvement:

- The Trust purchased services totalling £5,000 (2019: £7,000) from West View Project Community Interest Company. There were no amounts outstanding at 31 August 2020 (2019: £Nil).
- The Trust made the purchases at arms' length.
- In entering into the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided 'at no more than cost' and West View Project Community Interest Company has provided a statement of assurance confirming this.

Davies Tracey Limited - a company in which R Priestman (a Trustee of the Trust) has a position of influence:

- The Trust purchased internal audit services from Davies Tracey Limited totalling £4,000 (2019: £10,000). There were no amounts outstanding at 31 August 2020 (2019: £Nil).
- The Trust made the purchases at arms' length.
- In entering into the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2019.
- The nature of the services provided are considered exempt to the ESFA.

Education Mutual Limited - a company in which A A Brown OBE (a Trustee of the Trust) is a Non-Executive Director:

- The Trust purchased staff absence insurance from Education Mutual Limited totalling £76,000 (2019: £55,000). At 31 August 2020 £61,000 (2019: £Nil) was due to Education Mutual Limited.
- The Trust made the purchases at arms' length.
- In entering into the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided 'at no more than cost' and Education Mutual Limited has provided a statement of assurance confirming this.

The Trust entered into the above transactions at arms length following competitive tendering exercises where necessary in accordance with its financial regulations. C Simmons, R Priestman and A A Brown OBE neither participated in nor influenced the tendering processes for their respective related parties.