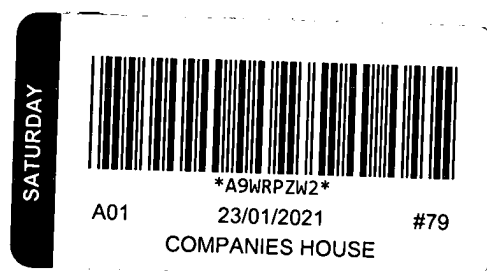


Astrea Academy Trust

Annual Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
09791051 (England and Wales)



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Reference and administrative information

Members

Stephen Chamberlain
Jonathan Simons
Valerie Wass
John Doyle
Anne Moller
Robert Tombs

Trustees

Chair of Trustees

Prof Simon Gregory
Valerie Dunsford
Matthew Robb
Jonathan Simons (Resigned 22 September 2019)
Glendon Fendley
Prof Samantha Twiselton
Nicholas Peter Cragg
James Muir (Resigned 1 April 2020)
Chris Rossiter
Dr Tesca Bennett
Dr Chris Sheasby (Appointed 12 February 2020)

Senior Management Team

CEO and Accounting Officer
Chief Operating Officer
Chief Finance Officer
Executive Director of Inclusion
Chief People Officer

Rowena Hackwood
Adam Goldstein
James Wright
Dr Nicola Crossley
Lesley Charlesworth-Hart

Registered address

The Hub
Hartley Brook Road
Sheffield
S5 0JF

Company registration number

09791051 (England and Wales)

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

Reference and administrative information

Solicitors

Stone King
Boundary House,
91 Charterhouse Street
Clerkenwell
London
EC1M 6HR

Academies operated

Hexthorpe Primary Academy
Hartley Brook Primary Academy
Gooseacre Primary Academy
The Hill Primary Academy
Highgate Primary Academy
Carrfield Primary Academy
Castle Academy
Greengate Lane Academy
Lower Meadow Primary Academy
Edenthorpe Hall Academy
Hillside Academy
Byron Wood Primary Academy
Cottenham Village College
Denaby Main Primary Academy
Kingfisher Primary Academy
Netherwood Academy
The Centre School
Intake Primary Academy
Atlas Academy
Waverley Primary Academy
Hatfield Primary Academy
Longsands Academy
Ernulf Academy
Astrea Academy Woodfields
Astrea Academy Sheffield
Astrea Academy Dearne
St Ivo Academy

Location

Doncaster
Sheffield
Rotherham
Rotherham
Rotherham
Rotherham
Doncaster
Sheffield
Sheffield
Doncaster
Doncaster
Doncaster
Sheffield
Cambridge
Doncaster
Doncaster
Barnsley
Cambridge
Doncaster
Doncaster
Doncaster
Sheffield
Cambridge
Cambridge
Doncaster
Sheffield
Barnsley
Cambridge

Principal

Mrs N Parker-Watts
Mr J Garbutt
Mrs K Godfrey
Ms E Cadman
Ms J Temperton
Ms K Adamski
Mrs A Mason
Mr P Cross
Mrs J Dawtry
Mr J Moody
Ms M Cockayne
Mrs B Wood
Ms H Cassady
Ms L Dickinson
Ms C Skinn
Mr J Mitchell
Mrs S Raven
Ms H Broad
Ms R Harvey
Ms L Stanton
Miss K Beech
Mr N Owen
Mr A Bissoo
Mr A Atkinson
Mrs K Wilson
Ms J Wilson
Mr S Griffin

Trustees' report Year to 31 August 2020

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

In the year, the Trust operated eighteen primary academies in the South Yorkshire area for pupils aged 2 to 11; one all-through school (3-18) in Sheffield; three secondary schools in South Yorkshire and four secondary schools in Cambridgeshire. The Trust also operates one school as specialist provision in Cambridge. Its academies have a combined pupil capacity of 16,281 and had a roll of 14,309 in June 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Astrea Academy Trust are also the directors of the charitable company for the purpose of company law. The Charitable Company is known as Astrea Academy Trust.

Details of the Trustees who served during the year are included in the reference and administrative details on page 1.

The principal activities of the charitable company are to establish and maintain a number of academies in accordance with the requirements of its Master Funding Agreement in place with the Education and Skills Funding Agency, in Primary, Secondary and all through education.

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 amounts as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the articles of association and funding agreement. The recruitment and succession planning of Trustees must reflect Astrea Academy Trust's ambitions for scale and reach over the next five years. The skills profile of the Board must reflect the governance needs of the Trust.

The following skills categories set out the broad range of skills, knowledge or prior experiences that is expected to be held across the Board:

- ◆ Leadership and Policy
- ◆ Education Performance and Curriculum
- ◆ Finance
- ◆ Risk and Audit
- ◆ Constitutional Governance
- ◆ Strategic Partnerships, External Relationships and Public Relationships
- ◆ Engagements with internal stakeholders
- ◆ Human Resources
- ◆ Estates and Property
- ◆ Health, Safety and Safeguarding

The Astrea Board requires its Trustees to have a broad range of skills and previous experience in order to be effective in governance. The Board carries out a skills audit of Trustees annually to inform the recruitment process, using the categories above to inform decision-making. The steps towards recruiting and appointing a new Trustee are set out below:

- ◆ Create and distribute Trustee role specification
A 'Roles and Responsibilities' document outlining the expectations of an Astrea Trustee is circulated to all potential candidates.
- ◆ Nominations
Nominations may be received from people outside Astrea, but a member of the Board or trusted staff member will take over as nominator in this case so that each candidate is 'owned' by someone within the organisation. The nominator should be prepared to champion the candidate through the selection process, advocate for the candidate's fit with Astrea, coach the candidate, act as primary point of contact between Astrea and the candidate, and support contract signing and on-boarding.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees (continued)

- ◆ **Executive Board Interview**
Following an initial introductory discussion and informal CV review, one on one discussions with an Executive Board member are intended to screen candidates who meet the appointment criteria. A decision will then be taken whether to progress the candidate to a final Chair/Board member discussion, following review of the candidate's suitability against the selection criteria and any skills gaps of the current Board.
- ◆ **Chair/Board member final interview**
Prior to a formal decision on appointment to the Board all candidates will need a final interview with the Chair of the Board or designated Board member. This is to assess overall suitability to work well as part of the existing team of Trustees.
- ◆ **Decision and appointment to Astrea Board**
Final ratification of a potential appointment is provided by the overall Board at the subsequent Board meeting. Once this has been approved successful candidates can commence the Astrea Trustee induction process.

Policies and procedures adopted for the induction and training of Trustees

Training and induction provided for new Trustees will depend on their existing experience. An induction meeting is undertaken to provide training on charity, education, legal and financial matters. This series of meetings also sets out the strategy and objectives of the Trust along with the values and vision. All new Trustees are given a tour of at least one of the academies in the group, and a chance to meet with staff and students. All trustees are provided with copies of the Trust policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees and directors of the Trust. On-going governance reviews and training programs are encouraged for all trustees to ensure they continue to make an effective contribution and are keeping up to date with changes in legislation.

Organisational structure

The Trust has established a management structure to enable efficient and effective running of the organisation. The structure consists of three levels: the board of Trustees (the Governors); the Executive team who are the senior leadership team of the trust; and the Local Education Consultative Committee or Transition Management Board of the academies.

Trustees are responsible for setting policy, adopting an annual plan and budget approval, monitoring the impact of the Trust on educational outcomes (including EYFS, KS1, KS2, KS4 and KS5 outcomes, and Ofsted outcomes), making major decisions about the direction of the Trust, oversight of capital expenditure and approval of senior staff appointments.

The Principal of each academy is directly responsible for its day-to-day running and is assisted by their senior leadership team. Local committee representatives are responsible for implementing general policy; budget monitoring and overseeing major decisions about the direction of the academy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Local Education Consultative Committee is responsible for the implementation of the Trust approved scheme of delegation, which sets out the system of internal controls, responsibilities and terms of reference. The Local Education Consultative Committee should ensure that the policy is implemented at the point of conversion with on-going reviews taking place.

In March 2020, the Board established a Special Committee to provide more agile oversight of the trust's response to the ongoing COVID-19 emergency. With broad authority to approve expenditure and changes in policy and a remit focused on understanding the impact on the trust and its response. This committee allowed the Board and other committees to continue in their work. Meetings of local committees were suspended between March and May 2020 due to the high level of central executive oversight, which was reported to trustees; local meetings resumed remotely from June 2020.

The Chief Executive of the Trust assumes the role of Accounting Officer.

The Chief Executive Officer

Following the resignation of the previous CEO in October 2019 (serving until 31 December 2019), trustees appointed Rowena Hackwood to the substantive role from 13 July 2020.

Arrangements for setting pay and remuneration of key management personnel

When considering and setting salary levels across the trust a clear set of principles were identified to ensure transparency. In order to ensure fairness and equity throughout the organisation, it was proposed that job roles should be banded relative to that of the salary of a newly qualified teacher. The highest paid role will not exceed eight times that of a newly qualified teacher.

The Board of Trustees take great care to ensure the public obtain value for money from the personnel appointed within the Trust. The Remuneration Committee met four times over the period to consider the pay of senior employees and to ensure that pay follows an evidence-based process and reflects individuals' roles and responsibilities.

Trade union facility time

Facility time publication legislation requires public sector employers with more than 49 FTE employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employees' normal role to undertake trade union duties and activities as a TU representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Trust meets its statutory obligation to provide facility time to trade union representatives by pooling resources with other schools and academies within the various local authorities in which the Trust's academies are located, to cover the time spent by TU representatives across a number of different employers.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

The Trust currently pays into facility time arrangements in the following local authorities:

- ◆ Sheffield
- ◆ Cambridge

The Trust also has academies in two other local authority areas which does not allow academies to pay into the facilities time arrangements:

- ◆ Doncaster
- ◆ Barnsley

The Trust therefore publishes facility time information as the total cost of contributions to pooled facility time expressed as a percentage of the total pay bill for the relevant period.

- ◆ Number of employees who were relevant union officials during the relevant period: 33 (22.95 FTE)
- ◆ Percentage of time spent on facilities time: 1.71%
- ◆ Percentage of pay bill spent on facilities time:
- ◆ Total cost of facilities time: £40,899
- ◆ Total pay bill: £67,058,000
- ◆ % of total pay bill spent on facilities time: 0.05%

Time spent on paid trade union activities during the relevant period:

- ◆ 0%: 8 employees
- ◆ 1% - 50%: 25 employees
- ◆ 51% - 99%: 0 employees
- ◆ 100%: 0 employees

Engagement with employees (including disabled persons)

The trust works with employee trade unions and professional associations across the academies and utilises other internally established communication forums to engage the workforce. The Trust also works to ensure that consultation is undertaken, as required, on aspects affecting its employees, including financial, operational and economic factors, and that these are communicated, discussed and consulted on with them.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (including disabled persons) (continued)

The trust is committed to ensuring equality of opportunity to all who work here and gives full and fair consideration to applications for employment made by disabled persons, including accessibility and having regard to their particular aptitudes and abilities; continuing the employment of, and for arranging appropriate training and support for, employees who have become disabled persons during the period when they were employed by Astrea. Our data show that we have relatively low rates of declaration in relation to disability at 0.7%, and we are developing an action plan to increase the percentage of complete declaration rates obtained by equal opportunities monitoring including disability. This will initially focus on raising confidence with colleagues as to how this information will be used and how they will be supported, as well as looking at how this data is captured.

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

The trust looks to engage with suppliers to mutual medium to long term benefit and recognises the need to engage with specialists as appropriate, but still focussing on balance of high quality service, value for money and fair remuneration.

From the initial COVID-19 lockdown period until the end of the academic year the trust ensured key suppliers were fairly recompensed and supported to ensure critical supply during lockdown was maintained and also that these supplier partners were able to continue to operate and continue to trade through to the new academic year. These arrangements, were agreed on an individual supplier basis, were conducted according to the PPN guidance and value for money notes as issued by central government. The trust committed to pay suppliers reflecting the levels of service that we would normally have continued in to the summer term.

Related Parties and other Connected Charities and Organisations

The Trust does not have any related party transactions.

Astrea is a member of the Confederation of School Trusts (CST), formerly known as FASNA and this financial year paid £1,673 in fees. CST is the national organisation and sector body for school Trusts in England advocating for, connecting and supporting executive and governance leaders.

The Trust is also a part of a MAT group called The Northern Alliance of Trusts, a collaboration between five Multi-Academy Trusts to work on school to school support. This partnership is described for transparency, transactions with member Trusts are carried out at cost but do not meet the definition of related party transactions.

The Trust is also part of a MAT group called The Queen Street Group, a collaboration between Trusts to focus on advocacy for the sector, best practice improvements and conduct. The Group is a vehicle through which leaders at senior levels can learn from each other and accelerate the sharing of best practice.

Sharing approaches and strategies with the above groups during COVID-19 was particularly useful to the trust where there were many uncertainties on delivering education safely.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objective and activity of the charitable company is to advance education in the UK for the public benefit, in particular, by maintaining and developing the operation of academies to provide a broad and balanced education for pupils of all abilities, initially in the South Yorkshire and Cambridge region.

In setting out the trust objectives, consideration has been given to the Charities Commission guidance in respect of public benefit when reviewing the aims and objectives of academies (see 'Public Benefit' section).

In accordance with the articles of association the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy. The Scheme of Government specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the Academies, that the curriculum should be broad and balanced; that there will be an emphasis on the needs of the individual pupils, including pupils with special educational needs and/or disabilities (SEND).

Objectives, strategies and activities

The Trust has considered and implemented a 5-year strategic plan to 2021 with the following strategic foundations;

- ◆ Leading in academy education
- ◆ Driving a high performance culture
- ◆ Driving social responsibility and equity
- ◆ Driving innovation and expertise

Each function of the Trust has an annual delivery plan with key deliverable objectives in each of these strategic foundations

The Trust's Value Partners have been developed as a measure of progress for staff, pupils and Trustees and to inform the Trust's overall operations:

- ◆ Responsibility and Leadership - Individuals in the Astrea community are accountable for their own decisions and actions and are supported by strong leaders, while trailblazers are encouraged to develop skills and talents in others. The Trust has a strong commitment to developing and nurturing its own leaders.
- ◆ Enjoyment and Innovation - We know that everyone learns best when they enjoy what they do and are in a position to follow their innate desire to achieve. Astrea pushes boundaries so that pioneering ideas are tried and tested, and our academies remain leaders in the advancement of teaching and learning methods.

OBJECTIVES AND ACTIVITIES (continued)

- ◆ Aspiration and Development - Every member of the Astrea community, from the youngest pupil to the oldest member of staff, is encouraged to cultivate opportunities to grow. We achieve excellence by being inspired to become the best we can be. The progress and well-being of pupils is our top priority, at the centre of every decision.
- ◆ Collaboration and Inclusion - Astrea honours and applauds the differences that make us unique whilst actively seeking and celebrating the common ground that binds us together as a strong community. We work together in a productive environment where dynamic ideas are shared in partnership, so that every member of the community may thrive.
- ◆ Honesty and Integrity - We are honest and open. Astrea decisions and responses are grounded in time-honoured moral principles that remain constant in the face of challenges and change.

To achieve its key objectives, the Trust undertakes the following key activities:

- ◆ Review and on-going development of new and existing policies and procedures to strengthen the accountability of the Trust.
- ◆ Ensure a rich and varied educational experience for all pupils by developing best practice, fostering the development of a knowledge-rich curriculum and providing opportunities for enrichment across the Trust such as competitive sport, cultural literacy and community experience. The Trust will also ensure that best practice is secured through the development of communities of practice and strong leadership development programs.
- ◆ Securing value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academies are legal services, audit services and responsible officer services. Services that are directly provided or procured by the Academy Trust and paid for by the Trust, on behalf of its academies include: group leadership, training, business and administration. The Trust retains a percentage of each academy's monthly ESFA General Annual Grant (GAG) income in order to provide these services. The percentage retention for the period to 31 August 2020 was 6.5%.

Public Benefit

In setting the objectives, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The main public benefit delivered by the trust is the provision of high quality education to its students, which will be evidenced from feedback from external assessments. The Academy Trust has complied with its duty to have due regard to the guidance on public benefit published by the Charities Commission.

OBJECTIVES AND ACTIVITIES (continued)

Achievements, performance and Key Performance Indicators

The Trust had 6 Ofsted Inspections in 2019-2020.

School	Date Joined Trust	Category	Phase	Date of Last Inspection	Current Judgement
Denaby Main Primary Academy	01/10/2016	Sponsor Led	Primary	Sep-19	Requires Improvement
Gooseacre Primary Academy	01/05/2016	Sponsor Led	Primary	Mar-20	Good
Hexthorpe Primary Academy	01/09/2016	Converter	Primary	Jan-20	Requires Improvement
Kingfisher Primary Academy	01/02/2017	Converter	Primary	Nov-19	Good
Cottenham Village College	01/06/2017	Converter	Secondary	Oct-19	Requires Improvement
Longsands Academy	01/09/2018	Converter	Secondary	Oct-19	Requires Improvement

Primary results 2020

There were no results for 2020.

Secondary results 2020

The table below shows the centre assessed grades: Attainment 8 with %5 + in English and Maths.

Indicator	2020 CAGS							
	Astrea (ALL)	Cottenham	Netherwood	Emulf	Longsands	Astrea Woodfields	Astrea Deame	St Ivo
Total no. of Students in the Cohort	1348	160	220	88	282	145	166	287
Attainment 8	47.69	55.57	44.23	43.11	50.35	34.78	47.33	51.47
Students Achieving 9-5 in English and Maths	44%	58%	38%	34%	49%	24%	48%	48%

Academy performance

The Government has announced that it will not publish any school or college level educational performance data based on tests, assessments or exams for 2020. Therefore there is no official educational outcome information for any Astrea Schools. Please note Attendance and Exclusions data is up to February Half term as any data following that time will be impacted by COVID-19.

OBJECTIVES AND ACTIVITIES (continued)

Atlas Academy joined the Trust as sponsored conversion in November 2017. Attendance remains a concern at 93.5%, and therefore below the national of 95.8%. The cohort remains a challenging one with high mobility and a high number of EAL pupils.

Byron Wood Academy opened as converter academy in August 2016. Attendance for 2019/20 was 95.1%, which is below the national of 95.8%.

Castle Academy joined the Trust as a stand-alone academy transfer in June 2016. Attendance for 2019/20 was below National at 93.8%.

Carrfield Academy joined the Trust as an academy transfer in May 2016. Attendance for 2019/20 was 93.8%.

Cottenham Village College joined the Trust as an academy transfer in June 2017. The most recent OFSTED judgement in October 2019 placed in the school in Requires Improvement which showed a decline from the previous Good judgement. Attendance for 2019/20 was 94.1%, which is just below the secondary national of 94.5%.

The Centre School joined the Trust as an academy specialist provision transfer in June 2017. Attendance for 2019/20 was 84.8% which is below the national for all Special Schools at 89.8%.

Denaby Main joined the Trust as an academy conversion in October 2016. On joining the Trust, the school was in Special Measures however the most recent OFSTED inspection in September 2019 judged the school at Requires Improvement. Attendance for 2019/20 was 95.1%.

Edenthorpe Hall Academy joined the Trust as a sponsored academy in August 2016. Attendance for 2019/20 was 95.3%.

Gooseacre Academy joined the Trust as an academy transfer in May 2016. Gooseacre had an Ofsted Inspection in March 2020 and was judged to be Good. Attendance for 2019/20 was 92.8%.

Greengate Lane Academy joined the trust as an academy transfer in August 2016. Attendance in 2019/20 was 95.1%.

Highgate Attendance in 2019/20 was 94.5%.

The Hill Academy joined the Trust as an academy transfer in May 2016. Pupil Attendance for 2019/20 was 94.1%.

Academy performance (continued)

Hatfield Academy joined the Trust as an academy transfer in May 2016. Pupil attendance for 2019/20 was 95.7%.

Hartley Brook Academy joined the Trust as an academy transfer in May 2016. Outcomes for Pupil attendance for 2019/20 was 94.7%.

OBJECTIVES AND ACTIVITIES (continued)

Hillside Academy opened as a sponsored academy in August 2016. Attendance for 2019/20 was 93.6%.

Hexthorpe Academy joined the Trust as an academy conversion in September 2016. A recent OFSTED inspection in January 2020 judged the school as requires improvement. Attendance for 2019/20 was 93.8%.

Intake Academy joined the Trust as an academy conversion in November 2017. Attendance for 2019/20 was 95.7%.

Kingfisher joined the Trust as an academy conversion in February 2017. Its most recent inspection in November 2019 showed the school to be 'Good'. A significant improvement as when the school joined the Trust when it was considered by the LA to be a 'school of concern'. Attendance for 2019/20 was 95.1%.

Lower Meadow Primary Academy joined the Trust as a sponsored academy in July 2016. Attendance for 2019/20 was 93.9%.

Netherwood Academy joined the Trust as an academy conversion in May 2017. Attendance for 2019/20 is of significant concern at 91.8%.

Waverley Academy joined the Trust as an academy re-brokerage from the now defunct Wakefield City Academies Trust (WCAT) in April 2018. Attendance for 2019/20 was 93.6%.

Longsands Academy joined the Trust as an academy transfer in September 2019. The most recent OFSTED judgement in October 2019 placed in the school in Requires Improvement which showed a decline from the previous Good judgement. Attendance for 2019/20 was 94.1%.

Ernulf Academy joined the Trust as an academy transfer in September 2019. Attendance for 2019/20 was 92.7%. The school has low capacity and as such faces significant financial challenges which has impacted on resources and staffing in the school. Review of curriculum and with Trust support it is anticipated outcomes will improve this academic year.

Astrea Academy Woodfields joined the Trust as an academy re-brokerage from the now defunct Wakefield City Academies Trust (WCAT) in September 2018. The school has suffered under chronic under funding over a number of years and the issues with infrastructure and staffing have impacted outcomes. Attendance remains a significant concern at 86%.

St Ivo Academy joined the Trust as an academy transfer in March 2019. Attendance is an area of strength with 2019/20 reaching 96.2% which is above National.

Astrea Academy Dearne joined the trust as an academy conversion in February 2019. Attendance for 2019/20 was 92.7%.

Astrea Academy Sheffield opened in 2018 and is an all through school. Year groups in the Academic Year 2019/20 were Nursery, Reception, Year 1, Year 7 and Year 8. Attendance for the Primary Phase was a concern at 90.1%; however, attendance in the Secondary was 95.3% for 2019/20.

FINANCIAL REVIEW

During the period, ESFA/LA grants totalled £80,640,000 (2019: £69,612,000). Restricted fund expenditure totalled to £85,842,000 (2019: £77,269,000).

Other trading activities during the period amounted to £311,000 (2019: £272,000).

The unrestricted and restricted general revenue reserves grew by £1,244,000 for the year ended 31 August 2020, bringing the total restricted and unrestricted revenue reserves to £3,174,000 (4.8% of GAG). The table below shows the operational result for the year on these funds excluding LGPS adjustments.

	2020 £'000	2019 £'000
Overall net movement in funds		
Less: net income attributable to the fixed assets fund		
Less: LGPS actuarial (gain) loss		
Add: LGPS service cost adjustment		
Add: LGPS McCloud service cost adjustment		
Add: LGPS interest cost adjustment		
Add: fixed asset funds used on revenue purchases		
Operational surplus (deficit) for the year		

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

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities SORP FRS 102 and Academies Accounts Direction, 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.

Under the Charities SORP FRS 102 and Academies Accounts Direction, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. This does not present the Trust with any liquidity problem. The employer contributions since July 2017 have increased and it is expected that they will continue to increase further.

Overall the Trust has a healthy balance sheet and cash balance and will be using reserves to maintain the current assets and to invest back into the schools in the form of additional resources and facilities in conjunction with the school development plans and Astrea strategic aims.

The Trustees, through the Finance and Budget (FAB) Committee, receive financial progress reports monthly throughout the year and compare actual financial results against budgets submitted to the Education and Skills Funding Agency. This committee also reviews longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the academies and the Trust and consider future financial risks and opportunities.

FINANCIAL REVIEW (continued)

The assets were used exclusively for providing education and the associated support services to all the pupils of the academies.

The deficits in the Local Government Pensions Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS 102.

Reserves policy

Trustees have published a Reserves and Investment Policy to describe and account for the use of reserves. Reserves brought over by schools joining the Trust are accounted for as income in the year of conversion or transfer. Schools can apply to access these funds for exceptional expenditure in year once it has met its commitments and covered its other planned expenditure. More specifically reserves are income which become available to the academy trust and is to be spent at the Trustees' discretion in furtherance of any of the academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is free).

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping within the principal object of the Trust.

The Trust has a fiduciary responsibility to carry sufficient free reserves to manage potential future financial risks as a result of structural deficits by maintaining schools with historic and/or structural deficits whilst executing robust deficit recovery plans, and by providing working capital and short-term deficit funding for new schools joining the Trust. Typically, new primary and secondary schools joining the Trust need bridge funding for a period of 1-2 years of, on average, £50k for a primary and £500k for a secondary transition school.

Reserves will cover future capital requirements (e.g. building repairs, IT infrastructure) where it is anticipated that there may be a shortfall against future eligible capital funding, such that free reserves will need to be drawn upon to meet the strategic long-term capital plans of the Trust. Where a shortfall in capital funding is identified, the Trustees have the discretion to designate free reserves against this future funding requirement.

The Trust will provide a buffer of general reserves to be drawn down in times when income is disrupted or decreased, or costs are increased unexpectedly, such that any given buffer will allow the Trust to continue to operate without material impact to educational outcomes or the Trust's pupils or staff.

The Trust also has a responsibility to the beneficiary that reserves are not excessive and as such would represent an educational risk to maximising the educational outcomes of the Trust's pupils. The Trust therefore needs to balance financial risk and educational risk and believes that setting a range of between 3% and 6% of GAG is a reasonable target range to balance both of these risks.

FINANCIAL REVIEW (continued)

Reserves policy (continued)

Total reserves at the end of the period amounted to £116,954,000 (2019: £116,059,000). This balance includes unrestricted funds (free reserves) of £2,828,000 (2019: £1,930,000) 4.3% of GAG which is considered appropriate and in line with the reserves policy, for the academy trust, and restricted funds of £114,126,000 (2019: £114,129,000).

Due to accounting for Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling £45,963,000 (2019: £44,340,000). This deficit is included in restricted funds. This does not lead to an immediate liability for this amount.

It should be noted that a surplus or deficit position of the pension scheme would generally result in a cash flow effect on the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this into account when reviewing current business plans and budgets and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit may not be eliminated there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment policy

It should be noted that the Academy Trust has substantial powers with regards to investment due to cash balances held in the central bank account. A Trust Investment policy is yet to be fully implemented. However, at academy level, the funds the academy has access to can cover any immediate expenditure without the need for additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. As of 31 August 2020, no investments, except for bank deposits, were held.

Key Performance Indicators

Income and Expenditure KPIs

The Trust uses certain high level key performance indicators (KPIs) to monitor the overall financial performance of the Trust. The key performance indicators for the year ended 31 August 2020 are shown below, separated out in to Primary and Secondary. These financial KPIs cover per pupil and efficiency assessment in terms of income and costs.

	<u>Primary</u>	<u>Secondary</u>	<u>All Through</u>	<u>Special</u>
Income Per Pupil (£s)	5,866	6,027	6,732	21,482
Staff costs/total income	71.4%	74.9%	70.1%	70.8%
Non Staff Cost/total income	24.2%	25.3%	23.9%	26.4%
Staff cost/pupil (£s)	4,190	4,511	4,716	15,219
Non Staff cost/pupil (£s)	1,420	1,526	1,606	5,672
Pupil to teacher Ratio	19.8	17.3	13.8	3.6
Pupil Adult Ratio	9.1	10.2	9.0	3.4

These have been compared to the ESFA School Resource Management self-assessment (SRM). The trust submits a detailed report to the ESFA each year comparing each school to the SRM tool data. This covers a number of financial KPI metrics, which helps the Trust focus on areas that require further investigation or need addressing from an efficiency standpoint.

FINANCIAL REVIEW (continued)

Key Performance Indicators (continued)

Staffing costs are managed within recommended ESFA benchmark levels and the staffing to pupil ratios are also within recommended guidelines. Costs are continuously being benchmarked and the best deals sought after. Further efficiency opportunities will be exploited in the next year when energy contracts end with the opportunity to harmonise across the Trust. National deals are used where possible.

Non staff costs were lower than planned in 2019/20, due in part to COVID'19.

Balance Sheet KPIs

The Trustees view the reserves at 31 August 2020 as reasonable and not excessive. Unrestricted reserves at 31 August 2020, as a % of GAG were 4.3%. This is in line with the stated Trust reserves policy of between 3 and 6% of GAG.

The reserves were also underpinned by a strong financial position and cash at bank:-

Net current assets were £5.368m. This included cash at bank and in hand of £7.795m, 2.8 times free reserves.

FUNDRAISING

Fundraising has been undertaken through a salaried member of the Trust's team. No professional fundraisers or commercial participators have been engaged.

The Trust abides by the code of fundraising practice. Fundraising activity in this financial year consisted of applications to grant making trusts. No appeals to members of the public have been made.

The fundraising function of the Trust is monitored through regular line management, the review of grant applications and the monitoring and evaluation of grants received.

PLANS FOR FUTURE PERIODS

The Trust has no immediate plans for growth. However, the Trust is committed to the founding strategic vision of being an 'all-through' 2-18 years Trust and, to this end, will consider growth in those areas where it makes strategic sense, for example primaries in Cambridgeshire

PRINCIPAL RISKS AND UNCERTAINTIES

A Trust risk register has been established and is reviewed and updated regularly. Systems and procedures have been established to mitigate the risks the Trust faces. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. Trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to recruiting staff, teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors ensuring they are able to work with pupils, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. As part of its risk management strategy the Trust currently uses the 'Risk Protection Arrangements' (RPA) which is specifically designed for academies as an alternative to commercial insurance to transfer some risks. Under RPA, the UK government covers the losses instead of commercial insurance.

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

There are six principal operational risks and uncertainties relating to the Trust.

Risk	Mitigation
Performance at our schools that are currently in the Ofsted window leads to poor inspection judgements, the threat of re-brokerage, and negative publicity.	<ul style="list-style-type: none">- Appointment of additional Deputy Director resource specifically to be deployed to schools requiring extra support.- Further external preparatory support and challenge being targeted at schools in the inspection window.- Clearer protocols for deployment of Education and Inclusion teams to schools of focus.- Trust Performance Review (TPR) process initiated monthly in order to challenge performance and progress in schools.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk	Mitigation
<p>The pace of improvement in KS2 results fails to improve rapidly enough following only a small rise in 2018/19.</p>	<ul style="list-style-type: none"> - Director of Primary Education newly appointed to oversee strategic improvement. - Baseline data in all primaries completed by end of September in order to identify gaps in learning and allow for intensive delivery where needed. - Government catch up funding utilised to support additional teachers in primaries to allow for small group teaching and interventions. - 15:1 testing introduced as standard with past SATs papers to be completed. - Year 6 weekly progress to be managed on a child-by-child basis with interventions identified promptly.
<p>Quality of home learning offer for Astrea pupils in the event of a local Covid-19 lockdown is not sufficient to compensate for the closure of school/bubble thereby impacting on pupil progress.</p>	<ul style="list-style-type: none"> - Microsoft Teams infrastructure in place to enable schools, in the event of group self-isolation or lockdowns, to move from provision of online resources to remote live teaching. Support and direction from Astrea Central being provided - eg guidance, policies, training etc - to ensure all schools are prepared to use the system. - Covid-19 catch up funding has paid for additional online resources at GCSE and additional teaching at KS5. - Primary English and Maths curriculum mapped across all year groups with links made to Oak Academy resources so that full curriculum offer available. - Provision of additional hardware for pupils to support 'digitally disadvantaged' students, supported by plans to funnel existing capacity between schools to where this is most required in the event of local self-isolation or lockdown.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk	Mitigation
<p>Impact of Covid-19 on the Astrea workforce means Principals are unable to staff their schools adequately leading to possible class/year/schools closures and further loss of learning.</p>	<ul style="list-style-type: none"> - Staff thresholds identified in advance of re-opening at each school to understand point at which reduction in numbers impacts delivery. - Agile resourcing pipeline to be established to quickly respond to need. - On-line / remote learning offer framework in place (by school) to ensure educational delivery continues even where staff are required to self-isolate.
<p>Impact of Covid19 leads to further unanticipated financial pressures, for example due to local lockdowns, which cumulatively have a detrimental impact on the Trust's year-end position.</p>	<ul style="list-style-type: none"> - Budget contingency built into 20/21 budget in case of additional down-side risks caused by Covid. - Management of the release of agency spend centrally through weekly reporting and review with Deputy Directors. - Release of extra spend to cover COVID in half term tranches only to ensure we are not over committing and embedding a regular review process to understand current and future need. - Reporting of all COVID related costs through accurate coding on PSF separating out COVID costs and Catch Up premium from regular agreed budgets. - Close monitoring of the status of potential grants to support any COVID related spends.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk	Mitigation
<p>Poor leadership of safeguarding at school-level, leading to non-compliance with statutory requirements, means schools are at risk of an inadequate Ofsted judgement and/or further investigation by the Local Safeguarding Children's Board.</p>	<ul style="list-style-type: none"> - Deputy Director for Safeguarding established as first contact in relation to Safeguarding concerns. - Additional measures of accountability implemented which mandates for 100% of schools to be actively using CPOMS, for DSLs to be effective and for half-termly safeguarding returns to be promptly received. - Appointment of Specialist Leader of Attendance also provides additional support for safeguarding concerns linked to non-attendance. - External assurance through Kreston Reeves, Astrea's internal auditors, to be provided via a safeguarding review in 2020/21.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	5,989,466
<u>Scope 1 emissions in metric tonnes CO₂e</u>	
Gas consumption	108.23
Owned transport – mini-buses	5.14
<u>Total scope 1</u>	113.37
<u>Scope 2 emissions in metric tonnes CO₂e</u>	
Purchased electricity	1,226.33
<u>Scope 3 emissions in metric tonnes CO₂e</u>	
Business travel in employee owned vehicles	28.67
Total gross emissions in metric tonnes CO ₂ e	1,368.37
<u>Intensity ratio</u>	
Tonnes CO ₂ e per pupil	0.11
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 CO ₂ e per pupil, the recommended ratio for the sector. Measures taken to improve energy efficiency Energy usage was reduced due to closure of the schools from March 2020 due to COVID-19. More staff have been working at home, which has reduced mileage costs as more remote meetings have taken place. As an organisation we will look to continue to reduce mileage in this way by holding meetings virtually where appropriate.	

Going concern

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

In making their assessment, the trustees have considered the current and potential future impact of the Covid-19 pandemic on the operations, activities and finances of the Academy Trust.

Promoting the success of the company

Trustees of Astrea, as Directors of the Company, acknowledge and welcome their duties under Section 172 of the Companies Act 2006. 2019/20 was a particularly eventful year in the exercise of these responsibilities, with the appointment of both an interim and new substantive CEO and steering the Trust's strategic response to the COVID-19 emergency.

With reference to the individual provisions of this section of the Act:

The likely consequences of any decision in the long term were foremost in Trustees' minds during the appointment of the new CEO, which the Board understood would shape the years to come and would enable its core purpose.

The interests of the company's employees were considered throughout all of the meetings of the HR Committee and of the Special (COVID-19) Committee, which in May, June and August ratified decisions to re-open or open schools more widely on the basis of risk assessments.

The need to foster the company's business relationships with suppliers, customers and others was a particularly important consideration during the COVID-19 lockdown, when the Board supported the executive's decision to continue meeting payments to key suppliers. Astrea continued to collaborate with the Department for Education, Regional Schools Commissioners and other trusts in order to meet the needs of the communities it serves. Trustees also actively encouraged deeper engagement with local authorities and local directors of public health during the period.

The impact of the company's operations on the community and the environment continued to be a principal consideration, particularly in respect of community impact. Over the period, schools within the trust have facilitated food schemes for local families, prepared Christmas gifts for local homeless people, made their sites available for adult learning and community events and have engaged in a wide range of public events.

The desirability of the company maintaining a reputation for high standards of business conduct means, to Trustees, that Astrea should be known as an ethical and high-performing trust. The Board has worked to establish an environment of candour in which the executive is expected to report in order to identify barriers to performance and to maintain the values, vision and ethos of the Trust. Operating in a highly-regulated environment, Trustees have sought and received numerous official evaluations of the standards across the Trust from inspectors, regulators, external reviews and other sources. The Board continues to commission and consider these in order to maintain and improve standards.

The need to act fairly as between members of the company did not arise as a particular challenge to the Board because the Astrea's members do not have competing private interests. The Board ensures that all members are kept up-to-date with the work of the Trust by the company secretary and members are frequently invited to observe meetings of the Board.

Trustees' report Year to 31 August 2020

Employee consultation and disabled employees

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

AUDITOR

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 17 December 2020 and signed on its behalf by:



Chair of Trustees

Simon Gregory

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to 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 Astrea 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 nine times during the year and maintains effective oversight by reviewing the reports of its dedicated Finance & Budget and Audit & Risk Assurance Committees. Attendance during the Period at meetings of the board of trustees was as follows:

Trustees	Ordinary (Extraordinary) meetings attended	Out of possible (Extraordinary)
Trust Board¹		
Tesca Bennett	3 (5)	4 (5)
Nick Cragg	4 (5)	4 (5)
Valerie Dunsford	4 (5)	4 (5)
Glen Fendley	3 (3)	4 (5)
Simon Gregory (Chair)	2 (3)	4 (5)
James Muir (Chair until 1 April)	3 (1)	3 (3)
Matt Robb	3 (3)	4 (5)
Chris Rossiter	4 (4)	4 (5)
Chris Sheasby	2 (5)	2 (5)
Jonathan Simons	0 (0)	0 (0)
Sam Twiselton	4 (5)	4 (5)
Finance, Risk and Audit Committee²		
Nick Cragg	1	1
Glen Fendley	0	1
James Muir	1	1
Matt Robb (Committee Chair)	1	1

Governance statement Year to 31 August 2020

Governance (continued)

Finance and Budget Committee		
Nick Cragg (Committee Chair)	2	3
Glen Fendley	2	3
James Muir	1	1
Matt Robb	3	3
Chris Sheasby	2	2
Audit & Risk Assurance Committee and Special Committee (COVID-19)³		
Nick Cragg	3	4
Glen Fendley (Committee Chair)	4	4
James Muir	1	1
Matt Robb	2	4
Chris Sheasby	3	3
Simon Gregory (Special Committee)	1	3
Sam Twiselton (Special Committee)	2	3
Val Dunsford (Special Committee)	3	3
Tesca Bennett (Additional Attendee)	3	3
Fiona Spellman (Non-Trustee)	1	1
HR Committee		
Tesca Bennett	0	2
Valerie Dunsford	1	2
Chris Rossiter	2	2
Fiona Spellman (Non-Trustee)	2	2
Sam Twiselton (Committee Chair)	2	2
Education, Inclusion and Safeguarding Committee		
Tesca Bennett	1	3
Valerie Dunsford (Committee Chair)	2	3
Chris Rossiter	3	3
Fiona Spellman (Non-Trustee)	3	3
Sam Twiselton	3	3

Governance (continued)

Remuneration Committee		
Valerie Dunsford	4	4
Glen Fendley	3	4
Simon Gregory (Ctee. Chair until 22/04/20)	3	3
Chris Rossiter (Additional Attendee)	2	2
Sam Twiseldon (Committee Chair)	1	1

¹ Owing to the CEO recruitment process and COVID-19 in 2019/20, a high number of extraordinary meetings were convened. These have been reported separately for this academic year, but do not take account of interview panels attended by Trustees.

² The Finance, Risk and Audit Committee was dissolved and replaced by separate Finance & Budget and Audit & Risk Assurance Committees in October 2019.

³ The work of the Audit & Risk Assurance Committee was assumed by the Special (COVID-19) Committee from April 2020; in July 2020, the business of the HR Committee was combined with that of the Special Committee.

The Trust's Head of Governance and Legal has worked with local governance committees to ensure clarity of roles and responsibilities at academy-level, and an appreciation of where local committees fit into the Trust's overall governance structure. The Board of Trustees assesses the effectiveness of the Trust's governance model on an annual basis.

The Finance and Budget Committee's main purposes were:

- ◆ To receive Academies' budgets for approval and consider and recommend acceptance/non-acceptance of the Academy Trust's budget to the Trustees.
- ◆ To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board.
- ◆ To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board.

The Audit and Risk Assurance Committee's main purposes were:

- ◆ To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements for financial and non-financial controls, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports.
- ◆ To direct the programme of internal scrutiny within the Trust.

Review of Value for Money

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

The CEO reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:-

- ◆ Having a dedicated team, who are centrally employed. This will enable more focus on our academies and a more proactive approach being taken.
- ◆ Procurement of services that benefit our academies by achieving better quality, delivering economies of scale and consistent outcomes across our academies for example through catering tendering for the primary schools.
- ◆ The embedding of curriculum-led financial planning to drive decision-making about resources at school-level.
- ◆ Monthly finance reporting at Trust, Hub and school level of financial performance vs agreed budgets, along with clear reasons for variances (and the drivers of) and actions to mitigate any potential adverse variances going forward. These reports are communicated Trust wide.
- ◆ Termly finance review meetings with Principals to monitor budgetary compliance and ensure delivery of value for money.

During the COVID lockdown and throughout the summer term the trust committed to supporting key suppliers whilst adhering to the principles of PPN 02/20 and PPN 04/20. These arrangements, discussed and agreed on an individual supplier basis, were conducted according to the PPN guidance and value for money notes as issued by central government. The trust ensured suppliers did not profit from the situation. Clarification through open book discussions were undertaken to ensure value for money. The trust did not furlough any staff directly and continued to pay them according to contracts and, where appropriate, previous levels for more casual staff.

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 risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Astrea Academy Trust for the period to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that have been in place for the period 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 Audit & Risk Assurance Committee, with any recommendations for changes being made to the Board of Trustees.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and financial forecast with periodic financial reports which are reviewed and agreed by the Board of Trustees;
- ◆ regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ identification and management of risks.

The internal auditor's role includes giving expert advice and performing a range of checks on the Trust's system of internal controls. The outputs from these reviews are discussed at the Audit & Risk Assurance Committee, and reported to the Board of Trustees where necessary.

The Board of Trustees has appointed Kreston Reeves as Astrea's internal auditor. The scope of the internal audit work over a three-year internal audit cycle includes the following;

- ◆ testing of payroll systems
- ◆ Procurement
- ◆ Pupil Data quality
- ◆ GDPR and data security
- ◆ Health and safety policies and procedures
- ◆ Safeguarding policies and procedures

Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- ♦ the work of the external auditor and internal auditor;
- ♦ the financial management and governance self-assessment process; and
- ♦ the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the risk and audit committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 17 December 2020 and signed on their behalf by:



Simon Gregory
(Chair of Trustees)



Rowena Hackwood
(Accounting Officer)

Statement of regularity, propriety and compliance Year to 31 August 2020

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

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

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



Accounting Officer
Rowena Hackwood
Date: 17 December 2020

Statement of Trustees' responsibilities Year to 31 August 2020

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgements 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; and
- ◆ 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 17 December 2020 and signed on its behalf by:



Simon Gregory

Chair of Trustees

Independent auditor's report to the members of Astrea Academy Trust

Opinion

We have audited the financial statements of Astrea Academy Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), 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 charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent auditor's report Year to 31 August 2020

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' Report, which is also the directors' report for the purposes of company law and includes the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' Report, which is also the directors' report for the purposes of company law and includes the Strategic Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 32, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Buzzacott LLP

23.12.2020

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of

Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Independent reporting accountant's assurance report on regularity to Astrea Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 July 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 Astrea Academy Trust during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

Approach

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

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

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

Independent reporting accountant's report Year to 31 August 2020

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Buzzacott LLP

23.12.2020
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

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

	Notes	Unrestricted general funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	2020 Total funds £'000	2019 Total funds £'000
Income from:						
Donations and capital grants	1	118	—	4,887	5,005	31,726
. Transfer on conversion	24	—	—	—	—	(3,146)
. Transfer on academies joining the trust	25	—	—	—	—	53,546
Charitable activities:						
. Funding for educational operations	2	1,120	82,414	—	83,534	73,915
Other trading activities	3	311	—	—	311	272
Investments	4	40	—	—	40	31
Total		1,589	82,414	4,887	88,890	156,344
Expenditure on:						
Raising funds	5	311	—	—	311	272
Charitable activities:						
. Educational operations	6	117	85,842	3,530	89,489	80,788
Total		428	85,842	3,530	89,800	81,060
Net income (expenditure)		1,161	(3,428)	1,357	(910)	5,284
Transfers between funds	16	(263)	346	(83)	—	—
Other recognised gains						
Actuarial gains (losses) on defined benefit pension scheme	21	—	1,805	—	1,805	(14,638)
Net movement in funds		898	(1,277)	1,274	895	60,646
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		1,930	(44,340)	158,469	116,059	55,413
Total fund balances carried forward at 31 August 2020		2,828	(45,617)	159,743	116,954	116,059

Balance sheet Year to 31 August 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	12		157,549		156,182
Current assets					
Debtors	13	3,966		3,685	
Cash at bank and in hand		7,795		5,961	
		<u>11,761</u>		<u>9,646</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(6,393)		(5,429)	
Net current assets			5,368		4,217
Net assets excluding pension scheme liability			162,917		160,399
Defined benefit pension scheme liability	21	(45,963)		(44,340)	
Total net assets			<u>116,954</u>		<u>116,059</u>
Funds of the Academy Trust					
Restricted funds					
. Restricted fixed assets fund	16	159,743		158,469	
. Restricted income funds	16	346		—	
. Pension reserve	16	(45,963)		(44,340)	
Total restricted funds			114,126		114,129
Unrestricted income funds	16	2,828		1,930	
Total funds			<u>116,954</u>		<u>116,059</u>

The financial statements on page 38 to 72 were approved by the Board of Trustees and authorised for issue on 17 December 2020 and are signed on their behalf by:



Simon Gregory
Chair of Trustees
Astrea Academy Trust
Company Limited by Guarantee
Registration Number: 09791051 (England and Wales)

Statement of cash flows Year to 31 August 2020

	2020 £'000	2019 £'000
Cash flows from operating activities		
Net cash provided by (used in) operating activities	1,804	(907)
Cash flows from investing activities	30	2,407
Cash flows from academy transfers/LA conversion	—	2,646
Change in cash and cash equivalents in the year	1,834	4,146
Reconciliation of net cash flow to movement in net funds:		
Cash and cash equivalents at 1 September 2019	5,961	1,815
Cash and cash equivalents at 31 August 2020	7,795	5,961

A Reconciliation of net (expenditure)/income to net cash provided by operating activities

	2020 £'000	2019 £'000
Net (expenditure) income for the reporting period (as per the statement of financial activities)	(910)	75,284
Adjusted for:		
Inherited tangible assets	—	(59,558)
Donated tangible fixed assets	—	(27,020)
Budget surplus transferred on LA/other funds	—	(1,297)
Depreciation charges	3,530	2,784
Capital grants from DfE and other capital income	(4,887)	(4,801)
Interest receivable	(40)	(31)
Inherited pension liabilities	—	10,545
Defined benefit pension scheme cost less contributions payable	2,643	2,465
Defined benefit pension scheme finance cost	786	671
Increase in debtors	(282)	(1,628)
Increase in creditors	964	1,679
Net cash provided by (used in) operating activities	1,804	(907)

B Cash flows from investing activities

	2020 £'000	2019 £'000
Dividends, interest and rents from investments	40	31
Purchase of tangible fixed assets	(4,897)	(2,425)
Capital grants from DfE/ESFA	4,887	4,801
Net cash provided by operating activities	30	2,407

Statement of cash flows Year to 31 August 2020

C Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash in hand and at bank	7,795	5,961
Total cash and cash equivalents	7,795	5,961

D Analysis of changes in net cash (debt)

	At 1 September 2019 £'000	Cashflows £'000	At 31 August 2020 £'000
Cash	5,961	1,834	7,795

Principal accounting policies Year to 31 August 2020

General information

Astrea Academy Trust is a charitable company (the 'Academy Trust'), incorporated in England and Wales. The address of its principal place of business is the same as that of its registered office given on page 1 and the nature of its operations are set out in the Trustees' report.

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

Basis of preparation

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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.

Astrea Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

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

In making their assessment, the trustees have considered the current and potential future impact of the Covid-19 pandemic on the operations, activities and finances of the Academy Trust.

Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

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

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

Donations

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

Other income

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

Donated fixed assets (excluding transfers on conversion/into the Academy Trust)

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

Transfer on conversion

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

Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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 are allocated on the portion of the asset's use.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs or repairs and maintenance are charged to the Statement of Financial Activities as incurred.

Tangible fixed assets and depreciation (continued)

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 that require 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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

- ◆ Long leasehold land and buildings 50 years straight line
- ◆ Freehold buildings 50 years straight line
- ◆ Computer equipment 3 years straight line
- ◆ Fixtures, fittings and equipment 4 years straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

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

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Principal accounting policies Year to 31 August 2020

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Pensions benefits (continued)

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

Fund accounting

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

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

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

Employment benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

Buildings held under PFI contract

Buildings at Dearne and Netherwood Academy are subject to contracts under the Private Finance Initiative (PFI). Under these contracts, the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy Trust. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy Trust.

These transactions have been accounted for as a leasing transaction. As the Academy Trust only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy Trust does not hold substantially all of the risks and rewards of ownership of the premises and the property is therefore accounted for as a financial commitment. The premises are not therefore recognised as an asset in the Academy Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of property plant and equipment.

Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement (continued)

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

Notes to the financial statements Year to 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed asset funds £'000	2020 Total £'000	2019 Total £'000
Capital grants	—	4,887	4,887	4,630
Donated fixed assets	—	—	—	27,020
Other donations	118	—	118	76
	118	4,887	5,005	31,726

	Unrestricted funds £'000	Restricted fixed asset funds £'000	2019 Total £'000
Capital grants	—	4,630	4,630
Donated fixed assets	—	27,020	27,020
Other donations	76	—	76
	76	31,650	31,726

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2019 Total £'000
Assets on conversion	90	(3,236)	—	(3,146)
Assets from existing academies	—	(6,012)	59,558	53,546
2019 Total funds	90	(9,248)	59,558	50,400

2 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
DfE/ESFA grants				
General annual grant (GAG)	—	65,523	65,523	57,823
Other DfE group grants	—	4,511	4,511	3,287
Pupil premium	—	5,390	5,390	5,051
	—	75,424	75,424	66,161
Other government grants				
Local authority grants	—	5,216	5,216	3,451
	—	5,216	5,216	3,451
Exceptional government funding				
Other coronavirus funding	—	352	352	—
	—	352	352	—
Other income	1,120	1,422	2,542	4,303
2020 Total funds	1,120	82,414	83,534	73,915

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". This income has been used to fund additional costs relating to Free School Meals, premises costs and cleaning costs as per government guidance.

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
DfE/ESFA grants			
General annual grant (GAG)	—	57,823	57,823
Other DfE group grants	—	3,287	3,287
Pupil premium	—	5,051	5,051
	—	66,161	66,161
Other government grants			
Local authority grants	—	3,451	3,451
	—	3,451	3,451
Other income	1,567	2,736	4,303
2019 Total funds	1,567	72,348	73,915

Notes to the financial statements Year to 31 August 2020

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
Hire of facilities	311	—	311	272
2020 Total funds	311	—	311	272

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
Hire of facilities	272	—	272
2019 Total funds	272	—	272

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
Interest from short term deposits	40	—	40	31

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
Interest from short term deposits	31	—	31

5 Expenditure

	Non pay expenditure			2020 Total funds £'000	2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000		
Expenditure on raising funds					
. Direct costs	—	—	311	311	272
Academy's educational operations:					
. Direct costs	52,323	3,532	5,459	61,314	54,539
. Allocated support costs	14,735	6,609	6,831	28,175	26,249
Total support costs	67,058	10,141	12,601	89,800	81,060

	Non pay expenditure			2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000	
Expenditure on raising funds				
. Direct costs	—		272	272
Academy's educational operations:				
. Direct costs	46,264	2,777	5,498	54,539
. Allocated support costs	13,515	5,792	6,942	26,249
Total support costs	59,779	8,569	12,712	81,060

Notes to the financial statements Year to 31 August 2020

5 Expenditure (continued)

	2020 £'000	2019 £'000
Net income (expenditure) for the year includes:		
Operating lease rentals - equipment	311	287
Operating lease rentals – PFI	2,156	1,722
Depreciation of tangible fixed assets	3,530	2,784
Fees payable to the Academy Trust's auditors in respect of both audit and non-audit services are as follows:		
. Audit	46	38
. Other assurance services	12	28
. All other non-audit services		
.. Current year services	3	—
.. Prior year services	—	40

6 Charitable activities

	2020 Total £'000	2019 Total £'000
Direct costs – educational operations	61,314	54,539
Support costs – educational operations	28,175	26,249
	89,489	80,788

	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	14,735	13,515
Technology costs	1,078	1,207
Legal costs	111	39
Premises costs	6,609	5,792
Other support costs	5,545	5,556
Governance costs	97	140
	28,175	26,249

7 Comparative information

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

	Notes	Unrestricted general funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	2019 Total funds £'000
Income from:					
Donations and capital grants	1	76	—	31,650	31,726
. Transfer on conversion	24	90	(3,236)	—	(3,146)
. Transfer on academies joining the trust	25	—	(6,012)	59,558	53,546
Charitable activities:					
. Funding for educational operations	2	1,567	72,348	—	73,915
Other trading activities	3	272	—	—	272
Investments	4	31	—	—	31
Total		2,036	63,100	91,208	156,344
Expenditure on:					
Raising funds	5	272	—	—	272
Charitable activities:					
. Educational operations	6	735	77,269	2,784	80,788
Total		1,007	77,269	2,784	81,060
Net income (expenditure)		1,029	(14,169)	88,424	75,284
Transfers between funds	16	—	488	(488)	—
Other recognised gains					
Actuarial losses on defined benefit pension scheme	21	—	(14,638)	—	(14,638)
Net movement in funds		1,029	(28,319)	87,936	60,646
Reconciliation of funds					
Total fund balances brought forward at 1 September 2018		901	(16,021)	70,533	55,413
Total fund balances carried forward at 31 August 2019		1,930	(44,340)	158,469	116,059

8 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	47,883	44,040
Social security costs	4,712	4,296
Pension costs	13,012	9,940
	65,607	58,276
Agency staff costs	1,324	1,329
Staff restructuring costs	127	174
Total staff expenditure	67,058	59,779

Staff restructuring costs comprise:

	2020 Total funds £'000	2019 Total funds £'000
Severance payments	77	111
Redundancy payments	50	63
	127	174

(b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £126,859 (2019: £153,935). Individually the payments were: £30,000; £27,861; £19,190; £13,002; £9,927; £8,826; £8,000; £4,063; £3,776; £1,830 and £384.

(c) Staff numbers

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

Charitable activities	2020 No.	2019 No.
Teachers	897	740
Administration and support	1,021	1,128
Management	27	26
	1,945	1,894

8 Staff (continued)

(d) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	23	21
£70,001 - £80,000	15	9
£80,001 - £90,000	5	3
£90,001 - £100,000	4	2
£100,001 - £110,000	—	3
£110,001 - £120,000	1	2
£120,001 - £130,000	1	2
£130,001 - £140,000	1	—
£140,001 - £150,000	1	1

The trustees note that the numbers of higher paid staff by band is likely to have low comparability with previous and subsequent reporting years due to the changes in senior executive personnel during 2019/20.

(e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team roles as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £788,000 (2019: £711,000).

9 Central services

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

- ◆ Accountancy and financial planning systems;
- ◆ Accountancy support;
- ◆ HR support;
- ◆ Payroll;
- ◆ Estates strategic management and capital improvement;
- ◆ Governance support;
- ◆ Policy development;
- ◆ Executive Principals and Associate School Leaders;

9 Central services (continued)

- ♦ School Performance Management;
- ♦ Risk Management;
- ♦ School leadership development and training;
- ♦ School leadership performance management;
- ♦ Trust leadership and networking;
- ♦ Liaison with regulators and policy makers (DfE, ESFA, Regional Schools' Commissioner, OFSTED, Charities Commission and Companies House).
- ♦ Media and publicity management; and
- ♦ Crisis management

The Academy Trust charges for these services on the following basis:

- ♦ flat percentage of GAG income 6.5%

	2020 £'000	2019 £'000
Hatfield Primary Academy	103	106
Hartley Brook Primary Academy	171	169
Gooseacre Primary Academy	78	71
The Hill Primary Academy	101	109
Highgate Primary Academy	76	78
Carrfield Primary Academy	79	78
Castle Academy	39	38
Greengate Lane Academy	59	55
Lower Meadow Primary Academy	78	76
Edenthorpe Hall Academy	49	47
Hillside Academy	24	27
Byron Wood Primary Academy	119	117
Cottenham Village College	258	258
Denaby Main Primary Academy	49	55
Hexthorpe Primary Academy	118	120
Kingsfisher Primary Academy	95	99
Netherwood Primary Academy	410	382
The Centre School	72	33
Atlas Academy	80	74
Intake Primary Academy	80	79
Waverley Primary Academy	59	57
Astrea Academy Sheffield	107	64
Astrea Academy Dearne	375	206
Ernulf Academy	173	174
Longsands Academy	556	552
St Ivo Academy	520	254
Astrea Academy Woodfields	313	324
	4,241	3,702

10 Trustees' remuneration and expenses

The CEO is not a Trustee and only received remuneration in capacity as an employee of the Trust.

Trustees did not receive any remuneration from the Academy Trust during the year (2019: none)

During the year ended 31 August 2020 one trustee (2019: four trustees) claimed expenses from the Academy Trust. The expenses incurred were in respect of travel and subsistence and an amount of £735 (2019: £1,057) was reimbursed by the Academy Trust.

11 Trustees and officers insurance

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

12 Tangible fixed assets

	Freehold land and buildings £'000	Assets under construction £'000	Long leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Computer equipment £'000	Total funds £'000
Cost						
At 1 September 2019	51,575	234	107,550	2,280	783	162,422
Additions	—	1,313	2,118	526	940	4,897
At 31 August 2020	51,575	1,547	109,668	2,806	1,723	167,319
Depreciation						
At 1 September 2019	1,161	—	4,160	612	307	6,240
Charge for the year	709	—	2,018	407	396	3,530
At 31 August 2020	1,870	—	6,178	1,019	703	9,770
Net book value						
At 31 August 2020	49,705	1,547	103,490	1,787	1,020	157,549
At 31 August 2019	50,414	234	103,390	1,668	476	156,182

Included within freehold land and buildings is land with a value of £9,145,000 (2019: £9,145,000) which is not depreciated.

Buildings at Dearne and Netherwood Academy are subject to contracts under the Private Finance Initiative (PFI). Under these contracts, the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy Trust. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy Trust.

12 Tangible fixed assets (continued)

These transactions have been accounted for as a leasing transaction. As the Academy Trust only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Trustees, the Academy Trust does not hold substantially all of the risks and rewards of ownership of the premises and the property is therefore accounted for as a financial commitment. The premises are not therefore recognised as an asset in the Academy Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.

13 Debtors

	2020 £'000	2019 £'000
Trade debtors	189	206
VAT recoverable	761	1,340
Other debtors	13	36
Prepayments and accrued income	3,003	2,103
	3,966	3,685

14 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	1,651	1,495
Other taxation and social security	1,114	1,120
Other creditors	1,133	1,112
Accruals and deferred income (see note 15)	2,495	1,702
	6,393	5,429

15 Deferred income

	2020 £'000	2019 £'000
Deferred income at 1 September 2019	547	503
Released from previous years	(547)	(503)
Resources deferred in the year	1,087	547
Deferred income at 31 August 2020	1,087	547

The deferred income balance of £1,087,000 (2019: £547,000) relates to free school meals and other income received for future periods.

Notes to the financial statements Year to 31 August 2020

16 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	—	65,523	(65,523)	83	83
Pupil Premium	—	5,390	(5,390)	—	—
Other grants	—	11,501	(11,501)	263	263
Pension reserve	(44,340)	—	(3,428)	1,805	(45,963)
	(44,340)	82,414	(85,842)	2,151	(45,617)
Restricted fixed assets fund					
Transfer on conversion	126,612	—	(2,552)	—	124,060
Donated fixed assets	25,996	—	(484)	—	25,512
DfE/ESFA capital grants	5,861	4,744	(387)	(299)	9,919
Local Authority capital grants	—	143	(84)	—	59
Capital expenditure from GAG	—	—	(23)	216	193
	158,469	4,887	(3,530)	(83)	159,743
Total restricted funds	114,129	87,301	(89,372)	2,068	114,126
Unrestricted funds					
General funds	1,930	1,589	(428)	(263)	2,828
Total funds	116,059	88,890	(89,800)	1,805	116,954

Comparative information

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	—	57,823	(58,311)	488	—
Pupil Premium	—	5,051	(5,051)	—	—
Local authority grants	—	3,451	(3,451)	—	—
Other grants	—	7,320	(7,320)	—	—
Pension reserve	(16,021)	(10,545)	(3,136)	(14,638)	(44,340)
	(16,021)	63,100	(77,269)	(14,150)	(44,340)
Restricted fixed assets fund					
Assets inherited on conversions and from joining academies – prior years	68,700	—	(1,181)	—	67,519
Transfer on existing academies – current year	—	59,558	(465)	—	59,093
Donated fixed assets	—	27,020	(1,024)	—	25,996
Other DfE/ESFA capital grants	1,833	4,630	(114)	(488)	5,861
	70,533	91,208	(2,784)	(488)	158,469
Total restricted funds	54,512	154,308	(80,053)	(14,638)	114,129
Unrestricted funds					
General funds	901	2,036	(1,007)	—	1,930
Total funds	55,413	156,344	(81,060)	(14,638)	116,059

16 Funds (continued)

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

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

The 'transferred on conversion' fund has been set up to recognise the tangible assets gifted to the academies upon conversion and transfer into the Academy Trust which represents the school sites including the long leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the Trust following conversion that have been funded by capital grants received by the Academy Trust. This fund has been created by a transfer from the capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to each Academy within the Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academies within the Trust.

The Pension Reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion of each Academy, and through which all the pension scheme movements are recognised. The Trustees will continue to monitor this situation closely.

Funds by school

The Academy Trust has a policy to pool its reserves. This has been agreed by the Board of Trustees, and has been in place since the Academy Trust came into operation.

	2020 £'000	2019 £'000
Trust revenue reserves	3,174	1,930
Total before fixed assets fund and pension reserve	3,174	1,930
Restricted fixed asset fund	159,743	158,469
Pension reserve	(45,963)	(44,340)
Total funds	116,954	116,059

Notes to the financial statements Year to 31 August 2020

16 Funds (continued)

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2020 Total £'000
Carrfield Primary Academy	937	212	89	219	1,457
Castle Academy	511	119	37	158	825
Hillside Academy	296	91	20	95	502
Edenthorpe Hall Academy	547	131	80	169	927
Goosacre Primary Academy	1,096	182	97	257	1,632
Hartley Brook Primary Academy	2,086	624	198	482	3,390
Hatfield Primary Academy	1,217	310	106	298	1,931
Highgate Primary Academy	951	193	90	255	1,489
Lower Meadow Primary Academy	1,066	243	71	248	1,628
The Hill Primary Academy	1,434	364	77	404	2,279
Byron Wood Primary Academy	1,555	430	76	241	2,302
Greengate Lane Academy	685	131	57	227	1,100
Hexthorpe Primary Academy	1,386	306	147	344	2,183
Denaby Main Primary Academy	577	189	31	182	979
Kingfisher Primary Academy	1,211	275	109	379	1,974
Netherwood Academy	4,220	533	455	1,836	7,044
Cottenham Centre	1,615	185	355	243	2,398
Cottenham Village College	3,230	1,003	417	576	5,226
Intake Primary Academy	952	207	88	313	1,560
Atlas Academy	786	258	94	286	1,424
Astrea Sheffield Academy	1,410	372	153	334	2,269
Waverley Academy	768	223	58	213	1,262
Ernulf Academy	2,595	896	208	571	4,270
Longsands Academy	6,213	1,792	773	1,174	9,952
Astrea Woodfields Academy	3,174	1,198	291	818	5,481
Astrea Dearne Academy	4,046	631	382	1,556	6,615
St Ivo Academy	6,401	1,895	576	761	9,633
Central services	78	3,026	323	1,113	4,540
Total net assets	51,043	16,019	5,458	13,752	86,272

Notes to the financial statements Year to 31 August 2020

16 Funds (continued)

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	2019 Total £'000
<i>Carrfield Primary Academy</i>	901	183	87	215	1,386
<i>Castle Academy</i>	531	97	47	137	812
<i>Hillside Academy</i>	285	65	34	101	485
<i>Edenthorpe Hall Academy</i>	582	98	73	155	908
<i>Goosacre Primary Academy</i>	1,028	120	80	261	1,489
<i>Hartley Brook Primary Academy</i>	2,027	469	310	389	3,195
<i>Hatfield Primary Academy</i>	1,056	337	165	248	1,806
<i>Highgate Primary Academy</i>	973	154	98	230	1,455
<i>Lower Meadow Primary Academy</i>	1,008	168	76	234	1,486
<i>The Hill Primary Academy</i>	1,481	323	123	381	2,308
<i>Byron Wood Primary Academy</i>	1,502	312	138	221	2,173
<i>Greengate Lane Academy</i>	690	83	70	187	1,030
<i>Hexthorpe Primary Academy</i>	1,318	258	129	410	2,115
<i>Denaby Main Primary Academy</i>	661	248	86	198	1,193
<i>Kingfisher Primary Academy</i>	1,149	196	96	332	1,773
<i>Netherwood Academy</i>	3,966	331	263	1,895	6,455
<i>Cottenham Centre</i>	1,143	102	231	119	1,595
<i>Cottenham Village College</i>	3,342	1,056	623	800	5,821
<i>Intake Primary Academy</i>	958	146	96	287	1,487
<i>Atlas Academy</i>	822	156	90	248	1,316
<i>Astrea Sheffield Academy</i>	672	194	153	197	1,216
<i>Waverley Academy</i>	628	123	118	211	1,080
<i>Ernulf Academy</i>	2,642	786	240	565	4,233
<i>Longsands Academy</i>	6,405	1,467	1,015	1,017	9,904
<i>Astrea Woodfields Academy</i>	3,671	1,100	433	759	5,963
<i>Astrea Dearne Academy</i>	2,216	460	174	822	3,672
<i>St Ivo Academy</i>	3,274	912	636	343	5,165
<i>Central services</i>	45	2,739	85	1,773	4,642
Total net assets	44,976	12,683	5,769	12,735	76,163

17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000	Total 2019 £'000
Tangible fixed assets	—	—	157,549	157,549	156,182
Current assets	2,828	6,739	2,194	11,761	9,646
Current liabilities	—	(6,393)	—	(6,393)	(5,429)
Defined benefit pension liability	—	(45,963)	—	(45,963)	(44,340)
Total net assets	2,828	(45,617)	159,743	116,954	116,059

17 Analysis of net assets between funds (continued)

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Tangible fixed assets	—	—	156,182	156,182
Current assets	1,930	5,429	2,287	9,646
Current liabilities	—	(5,429)	—	(5,429)
Defined benefit pension liability	—	(44,340)	—	(44,340)
Total net assets	1,930	(44,340)	158,469	116,059

18 Capital Commitments

	2020 £'000	2019 £'000
Expenditure contracted for, but not provided in the financial statements	7,356	669

19 Commitments under operating leases

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

	Buildings		Equipment	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due within one year	2,184	1,875	191	273
Amounts due between one and five years	9,095	8,764	105	187
Amounts due after five years	30,732	33,059	—	—
	42,010	43,690	296	460

Building leases relate to Dearne Academy and Netherwood Academy which are held under PFI contracts. The annual charges under the PFI agreement are subject to fixed formula but will vary over time. At 31 August 2020, the remaining term on both PFI contracts was 17 years.

20 Members' Liability

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

21 Pension and similar obligations

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

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

Contributions amounting to £809,000 (2019: £913,000) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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 £7,022,000 (2019: £7,043,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made were as follows:

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	3,060	2,897
Employees' contributions	780	724
Total contributions	3,840	3,621

The agreed contribution rates for future years are between 10.6% to 23.0% for employers and 5.5% to 12.5% for employees depending on the specific LGPS fund.

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

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary.

	2020 %	2019 %
Rate of increase in salaries	3.41	3.25
Rate of increase for pensions in payment	2.43	2.1
Discount rate for scheme liabilities	1.80	1.8
Inflation assumption (CPI)	2.31	2.0

22 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

The assumed life expectations on retirement age 65 are:

	2020	2019
<i>Retiring today</i>		
Males	22.4	23.0
Females	25.2	25.8
<i>Retiring in 20 years</i>		
Males	23.9	25.2
Females	27.1	28.1

Sensitivity analysis	2020 %	2019 %
Discount rate +0.1%	(74.5)	(64.1)
Discount rate -0.1%	75.6	64.1
Mortality assumption - 1 year increase	74.3	35.5
Mortality assumption - 1 year decrease	(72.2)	(35.5)
CPI rate +0.1%	73.7	60.9
CPI rate -0.1%	(72.6)	(60.9)

The Academy Trust's share of the assets in the scheme

	2020 £'000	2019 £'000
Equities	26,383	27,010
Bonds	7,437	6,999
Cash	1,690	824
Property	5,295	4,153
Other assets	3,544	2,668
Total fair value of assets	44,349	41,654

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service cost	2,546	1,123
Past service cost	14	1,349
Interest income	(777)	(957)
Interest cost	1,562	1,628
Plan introductions, changes, gain on curtailment and gain on settlement	38	—
Admin expenses	45	—
Total amount operating charge	3,428	3,143

21 Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

Changes in the present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September 2019	(85,994)	(33,356)
Obligations acquired on conversion and from joining academies	—	(29,466)
Current service cost	(5,651)	(4,013)
Past service cost	(14)	(1,349)
Interest cost	(1,562)	(1,628)
Employee contributions	(780)	(724)
Actuarial gain (loss)	2,600	(16,201)
Benefits paid	1,127	743
Losses on curtailment	(38)	—
At 31 August 2020	(90,312)	(85,994)

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	41,654	17,335
Assets acquired on conversion and from joining academies	—	18,921
Interest income	777	—
Actuarial (loss) gain	(795)	1,563
Expected return on assets	—	957
Employer contributions	3,060	2,897
Employee contributions	780	724
Benefits paid	(1,127)	(743)
At 31 August 2020	44,349	41,654

22 Related party transactions

Other than as disclosed in note 10, there were no related party transaction, falling under the definition in the Academies Accounts Direction and Charities SORP (FRS 102) during the year (2019: none)

23 Post balance sheet events

There were not post balance sheet events.

24 Conversion to an academy

In the year ended 31 August 2019 the following schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Astrea Academy Trust from the respective Local Authorities for £nil consideration.

Academy	Location	Date of conversion
Astrea Academy Dearne	Barnsley	1 February 2019

The transfer was accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – 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 General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Funds transferred				
LA budget funds	90	—	—	90
LGPS pension funds	—	(3,236)	—	(3,236)
	90	(3,236)	—	(3,146)

25 Transfer in on academies joining the Trust

In the year ended 31 August 2019 the following academies transferred into the academy trust and all the operations and assets and liabilities were transferred to Astrea Academy Trust for £nil consideration.

Academy	Date of transfer
Ernulf Academy	1 September 2018
Longsands Academy	1 September 2018
St Ivo Academy	1 March 2019
Astrea Academy Woodfields	1 September 2018

The transfer was accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfers from existing academies.

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.

25 Transfer in on academies joining the Trust (continued)

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	34,078	34,078
. Leasehold land and buildings	—	—	25,169	25,169
. Other tangible fixed assets	—	—	311	311
LGPS pension funds	—	(7,309)	—	(7,309)
Borrowing obligations	—	(98)	—	(98)
Cash	—	2,646	—	2,646
Other identified assets and liabilities	—	(1,251)	—	(1,251)
	—	(6,012)	59,558	53,546

The balances by academy were:

Ernulf Academy

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	14,000	14,000
. Leasehold land and buildings	—	—	41	41
. Other tangible fixed assets	—	—	10	10
LGPS pension funds	—	(718)	—	(718)
Borrowing obligations	—	(64)	—	(64)
Cash	—	286	—	286
Other identified assets and liabilities	—	(200)	—	(200)
	—	(696)	14,051	13,355

The following fair value adjustments have been made to figures transferred in:

	Value reported by transferring trust £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets			
. Freehold land and buildings	6,396	7,604	14,000
. Leasehold land and buildings	—	41	41
. Other tangible fixed assets	10	—	10
LGPS pension funds	(718)	—	(718)
Borrowing obligations	(64)	—	(64)
Cash	286	—	286
Other identified assets and liabilities	(200)	—	(200)
	5,710	7,645	13,355

25 Transfer in on academies joining the Trust (continued)

Longsands Academy

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Tangible fixed assets				
· Freehold land and buildings	—	—	20,078	20,078
· Other tangible fixed assets	—	—	36	36
LGPS pension funds	—	(1,055)	—	(1,055)
Borrowing obligations	—	(34)	—	(34)
Cash	—	1,032	—	1,032
Other identified assets and liabilities	—	(732)	—	(732)
	—	(789)	20,114	19,325

The following fair value adjustments have been made to figures transferred in:

	Value reported by transferring trust £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets			
· Freehold land and buildings	17,594	2,484	20,078
· Other tangible fixed assets	36	—	36
LGPS pension funds	(1,055)	—	(1,055)
Borrowing obligations	(34)	—	(34)
Cash	1,032	—	1,032
Other identified assets and liabilities	(732)	—	(732)
	16,841	2,484	19,325

St Ivo Academy

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Tangible fixed assets				
· Leasehold land and buildings	—	—	18,148	18,148
· Other tangible fixed assets	—	—	265	265
LGPS pension funds	—	(1,351)	—	(1,351)
Cash	—	1,328	—	1,328
Other identified assets and liabilities	—	(319)	—	(319)
	—	(342)	18,413	18,071

25 Transfer in on academies joining the Trust (continued)

The following fair value adjustments have been made to figures transferred in:

	Value reported by transferring trust £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets			
. Leasehold land and buildings	14,110	4,038	18,148
. Other tangible fixed assets	265	—	265
LGPS pension funds	(1,351)	—	(1,351)
Cash	1,328	—	1,328
Other identified assets and liabilities	(319)	—	(319)
	<u>14,033</u>	<u>4,038</u>	<u>18,071</u>

Astrea Academy Woodfields

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Tangible fixed assets				
. Leasehold land and buildings	—	—	6,980	6,980
LGPS pension funds	—	(4,185)	—	(4,185)
	<u>—</u>	<u>(4,185)</u>	<u>6,980</u>	<u>2,795</u>

The following fair value adjustments have been made to figures transferred in:

	Value reported by transferring trust £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets			
. Leasehold land and buildings	8,409	(1,429)	6,980
. Other tangible fixed assets	98	(98)	—
LGPS pension funds	(4,185)	—	(4,185)
	<u>4,322</u>	<u>(1,527)</u>	<u>2,795</u>