

Company Registration No. 06237630 (England and Wales)

GREAT ACADEMIES EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



GREAT ACADEMIES EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Annette Hall
Michael O'Hare
Anthony Powell (Resigned 20 May 2021)
Richard Mark Thompson (Appointed 20 May 2021)

Trustees

Christopher Bowes
Barbara Daykin
Stephen Griffiths (Appointed 9 March 2021)
Annette Hall
Paul Jones
Khalida Kay
Catherine Sullivan-Williams
Gregory Suligowski (Resigned 24 September 2020)
Michael Blakey (Resigned 12 May 2021)
Frank Norris
Paul Broderick (Appointed 1 September 2021)
B Loughran (Accounting officer)

Senior management team

- Chief Executive Officer	B Loughran
- Director of Finance & Estates	K Mohammed (Resigned 31 July 2021)
- Director of Finance & Estates	L Bowman (Appointed 26 July 2021)
- Principal Great Academy Ashton	J Langley (Resigned 31 October 2020)
- Principal Great Academy Ashton	D Waugh (Appointed 1 January 2021)
- Principal Silver Springs Primary Academy	D Mason
- Principal Copley Academy	R Craven
- Principal Middleton Technology School	J Kellett

Company registration number 06237630 (England and Wales)

Registered office
Cavendish 249
Cavendish Street
Ashton-under Lyne
Lancashire
OL6 7AT

Academies operated	Location	Principal
Great Academy Ashton	Broad oak Road, Ashton-under-Lyne, OL6 8RF	D Waugh
Middleton Technology School	Kenyon Lane, Middleto, Manchester M24 2GT	J Kellett
Copley Academy	Huddersfield Road, Stalybridge, SK15 3RR	R Craven
Silver Springs Primary Academy	School Crescent, Stalybridge, SK15 1EA	D Mason

Independent auditor
RSM UK Audit LLP
3 Hardman Street
Manchester
M3 3HF

GREAT ACADEMIES EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Co-Operative Bank
1 Balloon Street
Manchester
M60 4EP

Virgin Money
58 Spring Gardens
Manchester
M2 1YB

Solicitors

Hill Dickinson LLP
No 1 St Paul's Square
Liverpool
L3 9SJ

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operated three secondary academies and one primary academy during the year. The academies have a combined pupil capacity of 3,870 ranging from 3 to 16 years old and had a roll of 3,709 in October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (company number 06237630) and an exempt charity. The charitable company's memorandum and articles of association dated April 2007 as amended December 2016 and September 2020 are the primary governing documents of the Trust.

The Trustees of Great Academies Education Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the company information section on page 3.

The four academies within the Academy Trust during the financial year are Great Academy Ashton, Copley Academy, Middleton Technology School and Silver Springs Primary Academy.

Members' liability

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

Trustees' indemnities

The Academy Trust is a member of the Department for Education risk protection arrangement (RPA) which includes risk protection for Governors Liability with a liability limit of £10m.

Method of recruitment and appointment or election of trustees

The Academy Trust currently has eight Trustees (a ninth has been elected to start their term from September 2021 onwards) who may appoint committees to be known as Local Governing Committees for each Academy. The constitution, membership and proceedings of any committee shall be determined by the Trustees. Appointments will be in accordance with the Trust's Memorandum and Articles of Association and Governor Recruitment Policy.

The members may appoint up to nine Trustees and any number of staff Trustees so long as the number does not exceed one third of the total number. The Trustees may also co-opt up to three Trustees onto the Board.

Trustees with the appropriate skills and experience are sought out to ensure a good balance of knowledge and expertise on the Board. The Academy Trust uses a combination of the Academies Ambassadors programme, and on-line adverts to attract suitable candidates.

Policies and procedures adopted for the induction and training of trustees

The Board has developed a number of documents to support Trustees in their role including a handbook, code of conduct, role profile and competency framework.

A flexible induction process takes place taking into account the skills and experience of the trustee but includes, as a minimum, meetings with the Chair of the Board and the Chairs and Principals of each Academy and a day within the organisation spending time in each of the academies.

Trustees receive no remuneration or benefits in respect of their duties as Trustees but are reimbursed for expenses incurred in carrying out their duties. During the year, the Trustees held four Trust Board meetings. The Board Chair and the two committee Chairs also held catch up calls with the CEO every three weeks.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The Trustees meet at least four times a year to receive reports and manage the strategic objectives of the Trust. In addition to the Trust Board, there are Trustee subcommittees for finance and audit, academic outcomes and pay and remuneration. These subcommittees meet to review and discuss key areas in more detail and make recommendations to governing committee. Each academy has a local governing committee. In accordance with the Academy Trust Handbook the Board constituted a new Audit and Risk Committee which met for the first time in June 2021.

The day-to-day management is delegated to the Chief Executive Officer and the Principals who are each supported by a Leadership Team. The scheme of delegation clarifies those decisions that must be referred to the Trustees.

Arrangements for setting pay and remuneration of key management personnel

Each local governing committee has a pay sub-committee to agree the decisions of the Principal with regard to their local staff and the Academy Trust has a Remuneration Committee which is responsible for setting the pay and remuneration of the Trust's senior managers and Principals. The Committee consists of three Trustees.

Related parties, connected charities and co-operation with other organisations

The Academy Trust works to advance, for public benefit, the education of all pupils within our academies. Working with our teaching school, the Department for Education (DfE), Education and Skills Funding Agency (ESFA), Rochdale and Tameside Local Authorities, Tameside Sports Trust (Active Tameside), local primary schools and other local organisations to establish links with the local community.

Trade union facility time

The Academy Trust does not employ any trade union representatives, instead this service is provided via the local authority.

Streamlined energy and carbon reporting

This content is included under that heading within the strategic report section.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Engagement with employees

Communications

Great Academies Education Trust has circa 500 employees, the majority working in the four academies in the Trust. Much of the communication with employees in each of the schools comes through the senior leaders in that school. The principals of the schools attend regular meetings with members of the Trust Executive Team where relevant information is shared and so they can cascade information as appropriate to their staff.

The Trust produces a fortnightly newsletter in order to communicate with employees.

The Trust has a number of network groups which bring together those in the schools with particular roles and members of the trust executive team. This enables staff to share ideas and challenges and to collaborate on solutions and new projects. It also enables relevant information to be communicated by the Executive Team members both to and from these groups.

Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The Academy Trust welcomes applications from candidates with a disability. Applicants are advised to contact HR if they have any specific requirements to enable them to apply.

Selection panels are not provided with information about whether candidates have a disability at the shortlisting stage, as the equal opportunities monitoring information is removed prior to shortlisting taking place. New starters complete a health questionnaire which enables the Trust and Academies to assess whether any adjustments are needed to the working environment.

The Academy Trust makes use of an occupational health provider. Any employee can request self-referral, and the Academies make regular referrals, most often for staff returning to work after a period of sickness absence, but also for employees who may be encountering difficulties at work, either due to a disability or due to other reasons. The Academies endeavour to act on the advice provided wherever possible, and will consult with the employee to ensure reasonable adjustments are provided.

Disabled employees are entitled to the same opportunities for training, development and promotion as other employees. Opportunities for promotion are advertised within the Academy, and staff wishing to be considered would be entitled to the same adjustments as candidates coming for interview and to have other adjustments considered, thus ensuring there are no barriers to their promotion.

The Trust purchases an employee assistance scheme from Westfield Health Ltd, which provides a range of benefits including counselling and money towards routine health appointments (for example dental or optical).

Consultation and seeking views

The Academy Trust recognises and regularly consults with a number of trade unions for both teaching and non-teaching staff. Regular scheduled meetings are held with full time union officials, and both the Academies and the trade union representatives also request additional meetings whenever the need arises. In addition to consultation with full time officials, local meetings are also held with the internal representatives both on a regular scheduled basis and on an ad hoc basis as required.

Consultation also takes place through staff events, staff questionnaires and a general culture of leaders being available and open to staff feedback.

A staff survey was introduced in Autumn 2020 and is being repeated this year, with results considered at Trust and school level. Statutory consultations with appropriate staff are carried out on key changes such as staff restructures, staffing changes and planned pupil admission number.

The Trust holds Joint Consultative Committee meetings six times a year for union representatives and members of the Trust executive team to discuss HR matters and policies.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Sharing Trust's performance

The schools engage staff in discussing information such as the educational performance of pupils at their school. Headline performance information such as Ofsted inspection outcomes are shared through staff newsletters and this information along with other key information is published online, e.g. end of key stage performance and Trust annual accounts.

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

Suppliers

GAET relies on external suppliers for a number of key services. As well as being important for our success, we believe that dealing with suppliers in the right way is the right thing to do.

The Trust actively engages with suppliers through the undertaking of appropriate procurement exercises, ongoing contract management processes and partnership engagement. The Board-approved Finance Procedures Manual sets out the procurement rules for the Trust which ensure that taxpayers' money is used in ways that are demonstrably open, fair, and good value. It requires that all suppliers are given an equal opportunity to seek business and make competitive offers, and that spending choices and decisions are transparent and defensible.

The manual expects good contract management with suppliers to build and maintain a strong working relationship with the supplier with all relevant partners and stakeholders, checking that the scheduled goods, works or services are being delivered on time and to the required standards set out in the contract.

Parents and carers

The Trust actively engages with parents and carers of pupils via the individual schools' communications methods which include email, text and the use of online platforms such as Schoolcomms and Dojo. These online platforms enable quick communication between staff and parents and one-to-one communications.

The Trust schools seek parent views via annual parent questionnaires and engage face to face (or online) with parents at parents' evenings and a wide range of other school events.

Pupils

Pupil views are gathered through a variety of routes such as pupil questionnaires, school councils and daily communications in class and in school in general. All of our academies now systematically survey all pupils twice a year. At primary level pupils complete a 'Bounce Together' survey. This is an online mental health and well-being platform. At secondary level all our schools now use Pupils Attitude to Self and School (PASS) surveys. This highlights pupils that may have poor perceptions of themselves as learners and provides useful intervention strategies.

Others in a business relationship with the trust

Three of our academies are within the Tameside borough and one falls within Rochdale. The Trust purchases some services from the relevant local authorities (LA) and has regular meetings with representatives from these LA. GAET considers itself and the LA to be strategic partners in that it works with the LA to develop solutions to meeting need in our respective boroughs.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

The Trust's objects are specifically restricted to the following:

Advancing education by:

- Establishing, maintaining, managing and developing schools offering a broad and balanced curriculum
- Promoting the physical, intellectual and social development of all children and young people, especially those who are socially and economically disadvantaged
- Developing the capacity and skills of those who are socially and economically disadvantaged in such a way that helps meet their needs and enables them to participate more fully in their communities and society at large
- Providing recreational and leisure time facilities in the interest of social welfare for the local communities in which the academies reside, especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

Our aim is to provide outstanding schools to improve the academic achievement of all our children and young people and increase their life chances and opportunities for successful and fulfilled lives as well-educated future citizens.

Objectives, strategies and activities

In October 2019 and January 2020, the main strategic objectives of the Academy Trust were reviewed in a process involving Trustees, the Executive Team, Principals and LGC members. The strategic objectives are under five headings; People; Performance; Pupils and communities; structure, support and operations; and finance. In the light of the review, the objectives of the strategic plan 2020-2023 are summarised below:

Our performance

1. To achieve the best possible academic performance

All measures such as student attendance and exclusions data, will reach and then improve upon national average data. We will achieve this by systematically implementing our school improvement model, including a relentless focus on improving the quality of provision in our schools, and specifically ensuring teaching that is routinely great. High levels of attendance also come from supportive and caring staff who ensure that an exciting curriculum awaits our students.

Our high aspiration was that by September 2022, we would be in the top 20% performing MATs for secondary academies, and Silver Springs Primary Academy would be in the top 10% nationally in the DfE primary performance tables. This required an immediate focus from 2020 on current Y4 and Y9, and a plan for sustained improvement with subsequent years. By September 2025 the aim is for, all of our academies to be in the top 5% of similar schools, meaning that our MAT to be in the top 5% of similar MATs. All performance measures will improve on FFT 50, meet FFT 20, and reach FFT 5 over this time. In light of the pandemic, these timeframes will be reviewed in Autumn 2021.

Our People

2. To develop GAET's people

We will ensure that GAET becomes 'an employer of choice', because our employees are valued and supported in their careers. We will develop a shared culture across all our schools to reflect a consistency of approach where all staff adopt and demonstrate the Trust's values. We will continue to ensure we have full complements to our Board and the LGCs, with an appropriate balance of specialist knowledge and skills spread across the governance function.

Governance at all levels will be strong and providing the right levels of challenge and support to improve our academies. Using our SCITT, NQT Appropriate Body and CPD offer, we will have developed career pathways and CPD entitlement from career entry to Trust Leadership level, where appropriate under the auspices of the Teaching School. We will have a programme of talent management and the ability to train and retain our best talent. By 2023, our aim is for all aspects of governance to be outstanding, our academies will be well-led by SLTs with clear delegated responsibilities, and there will be clear career pathways and opportunities for all employees where appropriate.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

3. To develop GAET's processes of performance management, enabling our people to grow professionally

By September 2020 we had embedded systematic and rigorous performance management standards for leaders, teachers and support staff at every level, and by September 2022, performance management will be developing and strengthening the individual capacities of each academy, and the Trust as a whole.

Our Pupils and Communities

4. To provide GAET's students with wider achievements and enrichment

In addition to securing great academic outcomes, we will ensure that all of our students benefit from and experience a wide entitlement to extra-curricular activity. After consulting with stakeholders and drawing on good practice (MTS Enrichment for all), by August 2021, we had created the 'GAET Charter of Enrichment for Students'. By August 2022, we aim to have measurable outcomes in terms of student wider extra-curricular activities and by 2025, an education with GAET will be synonymous with benefiting from a rounded and world-class education.

5. To develop Great partnerships with our local communities

We now have in place a marketing manager to co-ordinate the outward facing dimension of each academy with their local community stakeholders including; parent bodies, local authority representatives, partner schools and trusts, the business community, and third sector organisations. By 2023, our target is for all academies to have thriving programmes of engagement with community stakeholders and become recognised as being truly at the heart of their communities.

Our Finance and Resources

6. To manage our finances and resources efficiently to secure and sustain great provision and opportunities for the future

(CLFP) is understood by all leaders and managers and schools will recognise the imperative and strive to reach balanced income and expenditure in-year budgets. This will be supported by monthly financial reports and quarterly LGC and Financial Accountability Meetings (FAMs). By September 2021, we aim to ensure that all schools will return a surplus of at least 3% of GAG in order to sustain total reserves of at least 10% of in Year GAG and enable a strategic estates management and an ICT refresh-programme.

Our Structure, Support and Operations

7. To develop and provide GAET'S services through our central structure, support and operations

We have completed a process of alignment across our academies to ensure efficient practices and protocols are standardised against agreed practices of excellence, including our Great School Improvement Model, our finance, HR, governance, estates and ICT functions. These will clearly define the capacity and bespoke support systems required by and offered to each current and future academy. We will invest in an integrated data management system as we align our functions.

8. To grow the Great Academies Education Trust

We are continuing to develop a pipeline of potential partner schools who may join our MAT, supported by marketing materials and a strategy to engage new prospective partner schools. We will be clear on who, when, where and why, as well as ensuring that we have the capacity for sensible growth. Our aim is that by September 2023, we will have at least three more primary schools in our Trust and by September 2025 we will have developed two clusters of around 4-6 schools in each of Rochdale and Tameside, with a view and strategy for growth into other regional areas in the north. Over these timescales, we will address our marketing strategy to increase the number of first choice applications to CA and GAA to regularly hit PAN, demonstrating renewed confidence and reflecting strong academic performance.

Managing the impact of Covid-19

As the implications of the coronavirus pandemic became apparent through 2020 and 2021 the Trust proved to be agile in adapting its operations and strategic approach.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

All Trust schools remained open throughout the pandemic to children of key workers, children with SEND and children with a social worker. In addition, the schools remained open for children from families requiring additional support.

Throughout the pandemic's periods of limited school openings and re-openings, Trust schools managed the wider re-opening of schools effectively, safely based on detailed risk assessments and in line with all available national guidance.

In July and August of 2020 and 2021, the schools were prepared thoroughly for the full reopening of schools which took place successfully at the start of the 2020-21 and 2021-22 academic years.

The Trust schools ran DfE funded programmes of Trust-funded activity camps during the 2021 summer holiday period, targeted for the pupils who were in greatest need.

The trust was able to manage many activities despite the restrictions of the pandemic, including completing major capital works creating student homebases and reconfiguring office spaces at GAA, upgrading kitchen facilities at Copley Academy and commencing significant fire safety improvement works, parking improvements for kitchen staff and the installation of a new delivery entrance at Middleton Technology School.

The schools efficiently collected accurate GCSE Assessed Grades, based on existing assessment frameworks and mock examinations within the schools. The schools moderated and standardised within departments and in each academy, there was further moderation and standardisation by school leaders to validate the Teach Assessed Grades (TAGs) which were submitted to the exam boards. In August, all students in Key Stage 4 received GCSE grades accurately reflecting the level reached in their studies.

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit. The Trustees feel that the Trust is clearly providing a public benefit through the provision of high quality education to its students and through the hire of Trust facilities to the local community.

STRATEGIC REPORT

Achievements and performance

Overview

Academic year 2020/21 has been a year of great challenge and change not least exacerbated by the coronavirus pandemic, but also a year of continued focussed determination to get things right for our academies and the young people we serve. We continue to align the Academy Trust and its academies into more successful and effective ways of working. The external evaluations of our academies tell us we are making progress in securing good standards of education for the children we serve, and we are still very much on our improvement journey as an Academy Trust.

Our Academies

Great Academy Ashton (GAA)

During 2020-21, GAA has continued to build on the positive aspects of coming out of Special Measures. A Vice Principal was promoted internally to act as Interim Principal for the Autumn term 2020. A new permanent principal was appointed and took up post in January 2021. The Trust and LGC have ensured continuity of strong leadership as the school continues its journey to become Good/Outstanding.

The levels of attainment and progress have shown modest improvement during the year. Attainment 8 over time shows that pupils are attaining more. This can be seen in the improving trends of the proportion of pupils achieving both English and mathematics at grade 4+ and grade 5+. This overall improving picture is also reflected in progress 8 measures (calculated internally using FFT/SISRA national dataset) raising from -0.5 in 2019 to 0 in 2021. The EBacc levels of entry are improving albeit from a low starting point. The school is the partner school in the DfE Behaviour Hub programme. This is in part due to the higher levels of exclusions over time. There are promising signs of improvement in relation to both attendance and behaviour currently.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Copley Academy (CA)

Copley Academy continued to make good progress on its journey to come out of Ofsted category during the academic year. The pandemic restricted Ofsted's activities, but the academy underwent virtual Ofsted monitoring with a visit in November 2020 and again in January 2021. Written letters from Ofsted for each visit outline the effective provision of education from the academy during the pandemic.

The new permanent Principal appointed from June 2020 completed a successful year of leadership in a challenging set of circumstances. The Trust supported the academy leadership through the year, including with the deployment of GIST (Improvement Team) staff working in the Academy.

The designate Local Governing Committee completed a full year-cycle of LGC meetings, supported by the MAT executive and at least one trustee attending each LGC meeting. The LGC is ready to undertake delegated responsibilities once the Ofsted category is removed.

The outcomes for 2021 are part of an ongoing improvement journey for the school. Attainment 8 outcomes indicate an improving trend of more pupils achieving more highly. This can be seen in the improving trends of the proportion of pupils achieving both English and mathematics at grade 4+ and grade 5+. This overall improving picture is also reflected in progress 8 measures (calculated internally using FFT/SISRA national dataset) raising from -1 in 2019 to -0.3 in 2021. The EBacc entry is also improving, meaning that more pupils are following suitably challenging academic pathways. Behaviour and attendance is improving despite significant disruptions to schooling due to COVID and lockdowns.

Middleton Technology School (MTS) was inspected by Ofsted in March 2019 and graded as Good. Although it hadn't been inspected previously for thirteen years, MTS had held its prior grading as an outstanding school for this period. The school continues to be popular in the area and will have increased its numbers on roll by a third in the last four years, reaching full capacity and continuing to be over-subscribed.

Outcomes for 2021 show that attainment 8 continues to be above the national average for 2019. The proportion of students achieving grades 4+ and 5+ in both English and mathematics continues to be above the national average. This overall steadily improving picture is also reflected in progress 8 measures (calculated internally using FFT/SISRA national dataset) raising to positive 0.1 in 2021. The EBacc entry is the highest of all our schools (44.2%) and continues to rise.

Behaviour is further improving, with the fixed term exclusion rate remaining below national average for the past three years and continuing to fall. Overall pupils attend school regularly but is slightly below national averages. The Teaching School initiative was terminated by the government in August 2021, so ceasing to function at MTS. However, the Trust has retained a School Centred Initial Teacher Training (SCITT) offer, graded good by Ofsted and training good numbers of career-entry teachers.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Silver Springs Primary Academy (SSPA)

SSPA were subject to an Ofsted Section 5 Inspection in November 2018 and graded as Requires Improvement. Previously, SSPA was judged good. Throughout 2019-20 and 2020-21 SSPA developed and implemented plans to regain its previous grade.

At the onset of the limited opening of schools due to the pandemic, the academy assessed and benchmarked the attainment and progress of the pupils. This enabled the academy to accurately award KS2 outcomes to the Year 6 pupils in June 2020 and June 2021.

Leaders recognise the impact that national lockdowns and absence from school has had on pupils, especially the youngest children. For example, in school information shows that children in reception experienced roughly one full term in school compared with the normal three terms. Despite these challenges there are a number of targets set for 2022 which are both ambitious and challenging.

Given the disruption to the learning of children in Reception, phonics and writing remain high priority areas for further work. Leaders have a range of strategies they are developing which includes a continued intensive focus on phonics, 'No More Marking' and the use of comparative judgements to improve writing and there are potential plans regarding teachers expecting pupils in Key Stage 1 to answer questions in full sentences when speaking rather than just offering a one-word answer.

Year 2 pupils have been the most affected by school closure and lockdowns. This is reflected in their current levels of attainment, especially in relation to phonics and reading. Leaders have sensibly combined two important priorities. Improving pupil's phonic knowledge alongside developing their wider reading. This now sees pupils have a phonics reading book alongside a second book which forms the basis of Guided Reading (to develop their sense of meaning and understanding).

Promoting the success of the charitable company

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The trustees are committed to improving the outcomes of all our pupils through the relentless pursuit of scholarship and excellence, and securing the best possible outcomes. Our schools deliver the highest quality teaching and learning, are fully compliant within our policy framework.

We steadfastly believe that our approach allows local governing committees and academy leadership teams to focus on the needs of their communities within a supportive framework. The Trust provides the underpinning systems, structures and external networks to support the work in our schools, enabling them to prioritise their time on the teaching and learning strategies and outcomes at their schools.

We deliver effective, progressive, professional development opportunities for all staff who work within our schools creating a culture of success. Succession planning throughout the organisation is essential to ensure our standards remain high at all times.

We ensure our school environments are fit for purpose and going forward the trust will also ensure consideration is given to the environmental impact when making decisions with regards to our infrastructure.

As a Trust, we place an important emphasis on the professional conduct of our staff, trustees and visitors and all abide by a clear framework and policy. This includes being genuine, being aware of equality, impartiality and the need to act fairly. The recent equality work within all our schools demonstrates the Trust's commitment to review policy and practice and be at the forefront of equality practice.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

Going concern

After making appropriate enquiries, the Academy Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue 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.

GAET managed to avoid the wider economic issues faced nationally and within other sectors which have come about due to Covid-19. Government assurances and continuation of funding were a key factor behind this. The lockdown resulted in reductions in some educational activities and spend which also helped generate savings for the Trust.

The academy trust has access to healthy cash reserves, which provide a high degree of comfort in the academy trust's ability to respond to and tackle any shortfalls in these turbulent times. This financial resilience will help the schools to stay flexible and adaptable to unexpected changes in pupil numbers and to manage unplanned costs.

Expenditure of the schools is dominated by costs, nevertheless opportunities for reducing costs are identified and actioned when possible. Progress with roll out of Curriculum Led Financial Planning will play an important step in achieving this.

Financial projections were compiled and demonstrated cash resilience to the end of FY2022-23. These projections included significant capital investment in our estates and ICT infrastructure.

Additionally, it is considered that, after examining likely future risks to the business, there will be sufficient funds to cope with any unexpected expenditure, predominantly staff salary costs. For this reason, the Trustees have continued to adopt a going concern basis in preparing the Trust's financial statements.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Financial report for the year

The principal sources of funding for the Academy Trust are grants from the ESFA, donations and investment income. Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102 SORP), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund generally when they are awarded, as set out in the Academy Trust's accounting policies. In prior years the value of the land and buildings occupied by Great Academy Ashton, Copley Academy, Middleton Technology School and Silver Springs Primary Academy have all been recognised. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

No voluntary donations were received from related parties in the current year (2020: nil). £2,000k permanent endowment fund and other cash not required to meet day to day running expenses is invested in short-term deposit accounts with the Academy's banks. Interest received on these deposits was £5k compared to £51k in the previous year.

During the year ended 31 August 2021, total expenditure exceeded income by £1,672k (2020: £2,029k net expenditure). This included depreciation charges on land and buildings of £1,232k (2020: £1,569k). The deficit on total funds in the year was £4,317k (2020: £4,359k deficit), this deficit was including an actuarial loss on defined benefit obligations of £2,645k (2020: loss of £2,330k).

The results for the year excluding FRS102 pension adjustments and depreciation was a surplus of £1,394k (2020: £335k). This is a strong performance particularly in light of the significant cost pressures experienced within the Academy Trust and the sector.

Non-teaching staff are members of the Local Government Pension Scheme (LGPS). The deficit as at 31 August 2021 is £16,828k (2020: £12,849k). Middleton Technology School remained pooled with Rochdale Metropolitan Borough Council upon conversion and therefore employer contribution rates for MTS non-teaching staff (20.5%) differ from the rest of Great Academies Education Trust (18.6%).

The Academy held fund balances at 31 August 2021 of £48,586k comprising £2,000k Permanent Endowment Fund, £4,462k Unrestricted Fund, £57,265k Restricted Fixed Asset Fund, £1,687k Restricted General Fund and a pension reserve deficit of £16,828k.

The Academy Trust monitors cash flow and prepares financial forecasts to anticipate and manage financial risk and meet financial objectives.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of general reserves should be equivalent to 10% of GAG income which is approximately £2m for the year ended 31 August 2021. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, falling student numbers or no-notice changes in schools funding methodology. Variances to the appropriate 10% target are closely monitored. Balances higher or lower than this target are expected to be supported by appropriate spending or recovery plan. The general reserves balance at the end of the year was higher than the target. To ensure compliance with this policy, the Trust is working with the academies to develop an informed spending plan. To enable this, the Trust have commissioned condition surveys and developed a three-year rolling ICT refreshment plan which together with other areas of investment requested by the academies form the crux of the spending plan and ensure that the reserves are used effectively and in the best interests of the Trust.

Areas currently identified include development of the secondary buildings (to provide adequate appropriate accommodation for the growing pupil numbers) and investment in school improvement (to accelerate improvements in attainment at Great Academy Ashton and Copley). Copley Academy has a deficit reserve position at 31 August 2021 (as a result of historic falling pupil numbers and three years of protected teacher pay following staff restructure) and Trust reserves are supporting Copley whilst the financial recovery plan eliminates the deficit.

The Trust also invested £392k of reserves into the purchase and roll out of a significant number of digital devices for pupils during the year ending 31 August 2021 in order to enable home learning during the pandemic.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted and endowed funds) is £4,462k (2020: £3,894k). The balance on this reserve mainly comprises charitable donations received from Great Neighbourhoods (previously related to GAET by virtue of common directors) and is used to fund development of the Trust.

The Trust is in the process of reviewing the current reserves policy and assessing the adequacy of the target level set. Proposed changes including setting the target levels between a minimum and maximum range. This approach will allow the Trust to properly consider the risks and possible opportunities at each academy and plan use of surplus reserves accordingly.

Investment policy

The Academy Trust prefers banking institutions that have strong ethical values and a low risk profile. In order to manage risk whilst maximising returns, deposits are placed with more than one institution. Only those institutions which meet the criteria set out in the Trust's Treasury Policy are used for the placing of deposits.

Key performance indicators

The Chair of the Board and Chairs of the two main committees continued to meet through virtual meetings with the CEO every fortnight to monitor the Trust response to the pandemic.

In addition, the Academy Trust Board continued to receive reports on academic and financial performance and management at each meeting. Key information monitored by the Academy Trust Board and Governing Bodies include:

- The on-going work towards achieving balanced budgets, approved by the Academy Trust Board and reported on throughout the year along with regular management accounts and forecasts (along with assessment of reserves position to address any in-year deficit budget)
- Managing cash balances – ensuring surplus cash placed on deposit and sufficient available funds to meet operational needs
- Staff costs as a percentage of total income less donations which is in line with the target level of 78% in 2020/21 (78% in 2019/20). 2019/20 increase affected by Teachers Pension employer contribution rate increase.
- Pupil attendance and behaviour data for all the academies.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The immediate plans for the Academy Trust continue to be centred on driving significant improvement in educational standards in all academies.

The Academy Trust will continue to strive to improve the performance of all its students and make efforts to ensure its secondary students successfully secure employment, further education or training upon leaving the secondary academies and its primary students move onto secondary education with the required numeracy and literacy skill levels upon leaving the primary academy. In addition to academic achievement, the Academy Trust aims to ensure that when students leave, they take other life skills with them.

Principal risks and uncertainties

The Trustees formally review the risk register and matrix on an annual basis and key risks are discussed at Trustee meetings as required. The major risks to which the Academy Trust is exposed, those relating to teaching, provision of facilities and other operational areas of the Academy Trust and its finances have been assessed and appropriate processes and controls have been implemented to minimise and manage risk, including an effective system of internal financial control which is further detailed in the Governance Statement. The main risks identified include:

- * Financial
- * Market and Sector
- * Personnel
- * Business Continuity
- * Safeguarding
- * Health and safety
- * Legal and compliance

The Trust Board also constituted a new Audit and Risk Committee during the year in order to more closely and effectively manage risk.

Previously identified, a key risk to the Academy Trust is the outsourced Facilities Management contract in place at Great Academy Ashton. This contract is expensive and the provision of the services has been poor. The Trust have been working with the parties involved in order to review, monitor and improve the effectiveness and value for money of the contract.

The Academy Trust also monitors and manages risk through the Self Evaluation Framework (SEF) which reports key risks and challenges. Action planning to address areas highlighted and impact of actions taken is reported to the Academy Trust Board directly or via the individual Academy Governing Bodies. The management of financial risk centres on continuing to have strong student numbers and therefore attract maximum funding.

This risk is addressed by a marketing programme aimed at prospective students and by driving improvement in academic standards. This strategy and marketing programme was successful during the year with our secondary academies reaching 98% of pupil capacity for the 2020/21 academic year.

The on-going changes in funding methodology and associated reduction in grants received, combined with rising staff costs and high fixed cost of the managed service charges for the building at Great Academy Ashton present uncertainty for the years ahead.

Coronavirus and the closure of schools due to the lockdown caused unprecedented challenges for everyone involved, from the students themselves, to their teachers and their parents. Managing schools through the pandemic continues to have a bearing on the day-to-day operations and activity within the academies.

The on-going pandemic also brings a high degree of financial uncertainty however, the Trust has navigated these challenges well. GAET continues to avoid the wider economic issues faced nationally and within other sectors which have come about due to Covid-19. Government assurances and continuation of funding have been a key factor behind this.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Financially, the availability of cash and access to healthy surplus reserves is central to the Trust's availability to mitigate the financial impact of Covid-19. On top of this, the Trust have adopted the following approach towards minimising or mitigating wider risks:-

- Assessing the ability of debtors to pay debts as they fall due
- Ensuring the Trust is able meet its current liabilities and, if necessary, to renegotiate credit terms
- Assessing eligibility and access to funding from relevant government schemes

Given the rapidly changing environment and level of uncertainty, preparing detailed forecasts has been challenging. To mitigate this the trust considers both sector specific and broader economic issues, whilst considering various scenarios and how they may impact the trust. This includes:

- social distancing measures over various lengths of time
- potential resurgent wave of the disease and associated lockdown measures
- the availability of various government relief mechanisms that the entity is eligible for, over varying lengths of time

All academies in the Trust have completed detailed and robust risk assessments and put in place appropriate measures to mitigate the H&S risks. Two of our academies have had HSE visits and have received positive feedback on the arrangements in place. As the pandemic has impacted on limited opening and then wider opening of the schools, all of the academies have worked closely with Local Public Health Teams participating in Outbreak Control Meetings as necessary and in each case receiving commendation for the approaches being taken at school level to manage the pandemic.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September to 31 August	2020-21	2019-20
Energy consumption used to calculate emissions (kWh)	7,547,087.20	7,153,029.56
Energy consumption breakdown (kWh)		
• Gas	5,349,281.00	4,821,516.00
• Electricity	2,191,948.00	2,318,395.60
• Transport Fuel	5,858.20	13,117.96
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	979.77	886.53
Owned transport – mini-buses	0.95	2.95
<u>Total Scope 1</u>	980.72	889.49
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	465.42	540.51
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0.98	0.33
Total gross emissions in metric tonnes CO2e	1,477.12	1,430.33
Intensity Ratio		
Tonnes CO2e per pupil	0.39	0.39

Quantification and reporting methodology

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

Intensity measurement

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

Measures planned improve energy efficiency in the next 12 months:

Continued installation of LED lighting in Middleton Technology school including converting all central areas within Stem A building already and plans in place to install LED lighting in all corridors in the main building.

Installation of energy efficient windows and doors, and LED lighting and above ceiling insulation in Copley Academy as part of significant fire safety works.

Review of recommendations from the completed energy audit report in order to schedule implementation of appropriate required measures.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

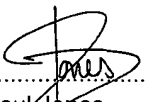
AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to 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 on16/12/21..... and signed on its behalf by:


.....
Paul Jones
Chair

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Great Academies Education 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 four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Christopher Bowes	4	4
Barbara Daykin	4	4
Stephen Griffiths (Appointed 9 March 2021)	2	2
Annette Hall	4	4
Paul Jones	4	4
Khalida Kay	4	4
Catherine Sullivan-Williams	3	4
Gregory Suligowski (Resigned 24 September 2020)	1	1
Michael Blakey (Resigned 12 May 2021)	0	1
Frank Norris	4	4
Paul Broderick (Appointed 1 September 2021)	0	0
B Loughran (Accounting officer)	0	0

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

Governor and Trustee appraisals are held on an annual basis to review effectiveness across the boards. Feedback from the appraisals is used to help shape the training and development calendar for the following academic year. There is a termly training session for all GAET members on subjects such as Safeguarding, Admissions and Exclusions, plus academy specific training appropriate to each governing body. In addition, we hold an annual GAET Away Day for all members to look at Governor and Director roles, GAET's vision and objectives and hosts guest speakers. The Trust's Governance Officer provides governors and trustees with a range of information regarding training and online resources to which we have access. We are subscribing members to organisations including the National Governors Association, Governor e-Learning and The Key. Training records are held centrally by the clerk and are reviewed at individual appraisals to ensure attendance and that Governors are playing an active part in their personal training and development needs.

The Academy Trust has strengthened the governance through the new Trustee appointments. These appointments join the academy trust with the necessary skills to fill previously identified skills gaps. Governance will continue to be reviewed annually to ensure that the arrangements meet the changing needs of the Trust.

Outcomes Committee

The Outcomes Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the educational outcomes of all our schools and to improve the quality of teaching and learning through the Trust.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Annette Hall (Chair)	4	4
Barbara Daykin	4	4
Chris Bowes	4	4
Mike Blakey	2	2

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee financial reporting and review and approve the audit activity. In addition to the Finance Director, Khalida Kay is a chartered accountant and was a member of the committee.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Stephen Griffiths (Appointed 9 March 2021)	1	1
Paul Jones	1	1
Khalida Kay	4	4
Frank Norris	4	4

The Board also constituted a new Audit and Risk Committee during the year which met for the first time in June 2021.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Stephen Griffiths (Appointed 9 March 2021)	1	1
Paul Jones	1	1
Khalida Kay	1	1
Frank Norris	0	1

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- **Targeting resources to focus on improving educational results**

The Multi Academy Trust regularly reviews its staffing structure to ensure that staffing levels are appropriate to support the delivery of the curriculum. The on-going reduction in funding levels has renewed the focus on ensuring that the right staff are in post to drive improvement in key areas. Although staff numbers have reduced in response to budget pressures, more flexible and focused deployment of the remaining staff has enabled the Academy Trust to continue to driving improvement.

- **On-going review and challenge of all costs**

The Multi Academy Trust has an established culture of challenging all requested spend - do we need to spend, is there an alternative, more cost effective way of providing, have we secured the best procurement deal. There has been a renewed focus on this in light of the funding cuts with renegotiation of all service contracts as they have come due, benchmarking and sharing cost data across the Multi Academy Trust and seeking ways to secure better deals trust-wide.

There are opportunities to further expand group procurement and exploit potential economies of scale, and this will be the value for money focus for the financial year.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Great Academies Education Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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;
- delegation of authority and segregation of duties
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and appointed Jackson Stephen LLP, to carry out a programme of agreed upon procedures for the 2020/21 financial year.

The Board also constituted a new Audit and Risk Committee in the year in order to allow greater scrutiny of the Trust risk management and audit plans. This Committee met for the first time in June 2021.

The reviewer's role included giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The review focused on testing of the procurement processes following the recommendations for the prior year report. The auditor reported to the Board of Trustees, through the finance and audit committee, on the operation of the systems of control.

On an annual basis, the auditor reports to the Board of Trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

For the year ending 31 August 2021, the agreed schedule of work was delivered as planned with no control issues arising from the work.

Review of effectiveness

As accounting officer, the principal 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 Jackson Stephen LLP;
- the work of the external auditor;
- the work of the directors within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 16/12/2021 and signed on its behalf by:


Paul Jones
Chair

GREAT ACADEMIES EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Great Academies Education 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 2020.

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 2020.

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.

B Loughran
Accounting Officer



GREAT ACADEMIES EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Great Academies Education 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial 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:

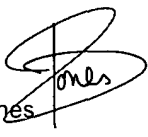
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 16/12/2021 and signed on its behalf by:


Paul Jones
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT ACADEMIES EDUCATION TRUST

Opinion

We have audited the financial statements of Great Academies Education Trust (the "charitable company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT ACADEMIES EDUCATION TRUST (CONTINUED)

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 includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have 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 Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT ACADEMIES EDUCATION TRUST (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and evaluating relevant advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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.

John Guest

John Guest (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

.....
21/12/21

GREAT ACADEMIES EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total 2021	Total 2020
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and capital grants	4	59	-	1,651	-	1,710	106
Charitable activities:							
- Funding for educational operations	5	-	23,481	-	-	23,481	22,602
- Funding for teaching school	29	-	425	-	-	425	221
Other trading activities	6	504	-	-	-	504	535
Investments	7	5	-	-	-	5	51
Total		<u>568</u>	<u>23,906</u>	<u>1,651</u>	<u>-</u>	<u>26,125</u>	<u>23,515</u>
Expenditure on:							
Raising funds	8	-	-	-	-	-	547
Charitable activities:							
- Educational operations	9	-	25,709	1,732	-	27,441	24,801
- Teaching school	29	-	356	-	-	356	196
Total	8	<u>-</u>	<u>26,065</u>	<u>1,732</u>	<u>-</u>	<u>27,797</u>	<u>25,544</u>
Net income/(expenditure)		568	(2,159)	(81)	-	(1,672)	(2,029)
Other recognised gains/(losses)							
Actuarial losses on defined benefit obligations	26	-	(2,645)	-	-	(2,645)	(2,330)
Net movement in funds		568	(4,804)	(81)	-	(4,317)	(4,359)
Reconciliation of funds							
Total funds brought forward		<u>3,894</u>	<u>(10,337)</u>	<u>57,346</u>	<u>2,000</u>	<u>52,903</u>	<u>57,262</u>
Total funds carried forward		<u>4,462</u>	<u>(15,141)</u>	<u>57,265</u>	<u>2,000</u>	<u>48,586</u>	<u>52,903</u>

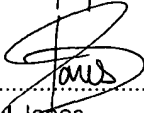
GREAT ACADEMIES EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£'000	£'000
Fixed assets			
Tangible assets	14	56,317	57,346
Current assets			
Debtors	15	2,265	943
Investments		2,645	3,423
Cash at bank and in hand		7,019	8,898
		11,929	13,264
Current liabilities			
Creditors: amounts falling due within one year	16	(2,832)	(4,858)
Net current assets		9,097	8,406
Net assets excluding pension liability		65,414	65,752
Defined benefit pension scheme liability	26	(16,828)	(12,849)
Total net assets		48,586	52,903
Funds of the academy trust:			
Restricted funds	18		
- Restricted fixed asset funds		57,265	57,346
- Restricted income funds		1,687	2,512
- Pension reserve		(16,828)	(12,849)
- Endowment funds		2,000	2,000
Total restricted funds		44,124	49,009
Unrestricted income funds	18	4,462	3,894
Total funds		48,586	52,903

The financial statements on pages 28 to 55 were approved by the board of trustees and authorised for issue on 16/12/2021 and are signed on their behalf by:


Paul Jones
Chair

GREAT ACADEMIES EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	23	(2,294)	1,113
Cash flows from investing activities			
Dividends, interest and rents from investments	5	51	
Capital funding received from sponsors and others	335	76	
Purchase of tangible fixed assets	(703)	(362)	
Net cash used in investing activities		(363)	(235)
Net (decrease)/increase in cash and cash equivalents in the reporting period		(2,657)	878
Cash and cash equivalents at beginning of the year		12,321	11,443
Cash and cash equivalents at end of the year		9,664	12,321
Relating to:			
Bank and cash balances		7,019	8,898
Short term deposits		2,645	3,423

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

General information

Great Academies Education Trust is a charitable company. The address of its principal place of business is 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), judgements and key sources of estimation uncertainty, 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is 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 whole £1,000, except where otherwise indicated.

Going concern

After making appropriate enquiries, the Academy Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue 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.

GAET managed to avoid the wider economic issues faced nationally and within other sectors which have come about due to Covid-19. Government assurances and continuation of funding were a key factor behind this. The lockdown also resulted in reductions in some educational activity and spend has also helped generate the savings.

The academy trust has access to healthy cash reserves, which provide a high degree of comfort in the academy trust's ability to respond to and tackle any shortfalls in these turbulent times. This financial resilience will help the school to stay flexible and adaptable to unexpected changes in pupil numbers and to manage unplanned costs.

Expenditure of the school is dominated by staff, nevertheless opportunities for reducing costs are identified and actioned when possible. Progress with roll out of Curriculum Led Financial Planning will play an important step in achieving this.

Financial projections were compiled and demonstrated cash resilience to the end of FY2022-23. These projections included significant capital investment in our estates and ICT infrastructure.

Additionally, it is considered that, after examining likely future risks to the business, that there will be sufficient funds to cope with any unexpected expenditure, predominantly staff salary costs. For this reason, the Trustees have continued to adopt a going concern basis in preparing the Academy Trust's financial statements.

Income

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

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

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.

Sponsorship income

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

Donations

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

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.

Interest

Interest income on cash balances is included in the statement of financial activities on a receivable basis or on an accruals basis where it is probable and is receivable at the balance sheet date.

Donated fixed assets

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 is 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 of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, 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. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Endowment income

Endowment income is held in a separate Endowment Fund. The funds are invested to retain their value and generate additional income. Endowment funds are classified as restricted or unrestricted by reference to the conditions documented by the donor. Restricted endowments are to be used only for the specific purpose or activity. Unrestricted endowments are to be used for the general purposes of the Academy Trust.

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 resources expended are 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 £500 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 of repairs and maintenance are charged to the statement of financial activities as incurred.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into the use at the following annual rates:

Leasehold land	0.8% p.a. (reflecting 125 year lease)
Leasehold buildings	2% - 20% p.a.
Furniture and equipment	10% - 33% p.a.
ICT equipment	20% - 33% p.a.

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.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

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

Investments

Current asset investments are stated at market value.

Financial instruments

The academy trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

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 an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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.

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

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 Department for Education Group.

Agency arrangements

The Academy Trust acts as an agent in administering of 16-19 Bursary Funds on behalf of the ESFA and Teacher Training Bursary Payments on behalf of the National College of Teaching and Learning (NCTL). retained payments received from the ESFA and NCTL and subsequent disbursements to students / trainees are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. A maximum allowance of 5% of the total bursary funds received from the ESFA may be recognised as a contribution to administration costs in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included within creditors for distribution to students/trainees in the following year. The funds received and paid any balances are describes in note 28.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 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 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.

Critical accounting estimates and assumptions – 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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, which is valued at £16,828k at 31 August 2021.

Critical accounting estimates and assumptions – Useful economic lives of tangible fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life and residual value of said assets to the Trust. A change in estimate would result in a change in the depreciation charged to the statement of financial activities in each year.

The carrying value of tangible fixed assets subject to such estimates total £56,317k (2020: £57,346k).

Critical areas of judgement

There are no critical areas of judgement.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Statement of financial activities - comparative year information

Year ended 31 August 2020	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2020 £'000
Income and endowments from:				
Donations and capital grants	30	-	76	106
Charitable activities:				
- Funding for educational operations	-	22,602	-	22,602
- Funding for teaching school	-	221	-	221
Other trading activities	535	-	-	535
Investments	51	-	-	51
Total	616	22,823	76	23,515
Expenditure on:				
Raising funds	547	-	-	547
Charitable activities:				
- Educational operations	-	23,232	1,569	24,801
- Teaching school	-	196	-	196
Total	547	23,428	1,569	25,544
Net income/(expenditure)	69	(605)	(1,493)	(2,029)
Transfers between funds	-	(286)	286	-
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	-	(2,330)	-	(2,330)
Net movement in funds	69	(3,221)	(1,207)	(4,359)

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	1,651	1,651	76
Other donations	59	-	59	30
	59	1,651	1,710	106

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	20,054	20,054	19,504
Other DfE / ESFA grants:				
- Pupil premium	-	1,464	1,464	1,522
- Others	-	1,246	1,246	1,176
	-	22,764	22,764	22,202
Other government grants				
Local authority grants	-	312	312	400
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium		287	287	-
Other DfE / ESFA COVID-19 funding	-	118	118	-
	-	405	405	-
COVID-19 additional funding (non-DfE / ESFA)				
	-	-	-	-
Teaching school income	-	425	425	221
	-	23,906	23,906	22,823

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

The funding received for coronavirus exceptional support covers £287k of catch-up premium costs and £118k of other DfE/ESFA Covid-19 funding. These costs are included in notes 8 and 9 below as appropriate.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	45	-	45	7
Catering income	287	-	287	392
Other income	172	-	172	136
	<u>504</u>	<u>-</u>	<u>504</u>	<u>535</u>

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Interest from short term deposits	5	-	5	51
	<u>5</u>	<u>-</u>	<u>5</u>	<u>51</u>

8 Expenditure

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2021 £'000	Total 2020 £'000
Expenditure on raising funds					
- Direct costs	-	-	-	-	547
Academy's educational operations					
- Direct costs	16,669	-	1,547	18,216	17,654
- Allocated support costs	3,837	3,692	1,696	9,225	7,147
Teaching school					
- Direct costs	72	-	276	348	150
- Allocated support costs	-	-	8	8	46
	<u>20,578</u>	<u>3,692</u>	<u>3,527</u>	<u>27,797</u>	<u>25,544</u>

Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Operating lease rentals	25	33
Depreciation of tangible fixed assets	1,732	1,569
Net interest on defined benefit pension liability	227	178
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	21	21
- Other services	5	6
	<u>21</u>	<u>21</u>
	<u>5</u>	<u>6</u>

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	2021	2020
	£'000	£'000
All from restricted funds:		
Direct costs		
Educational operations	18,216	17,654
Teaching school	348	150
Support costs		
Educational operations	9,225	7,147
Teaching school	8	46
	<u>27,797</u>	<u>24,997</u>

	Teaching school	Educational operations	Total 2021	Total 2020
	£'000	£'000	£'000	£'000
Analysis of support costs				
Support staff costs	-	3,837	3,837	3,045
Depreciation	-	1,732	1,732	1,456
Technology costs	-	243	243	167
Premises costs	-	1,960	1,960	1,694
Legal costs	-	19	19	-
Other support costs	8	1,407	1,415	804
Governance costs	-	27	27	27
	<u>8</u>	<u>9,225</u>	<u>9,233</u>	<u>7,193</u>

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	14,430	14,413
Social security costs	1,377	1,208
Pension costs	4,181	3,751
Staff costs - employees	19,988	19,372
Agency staff costs	590	717
Staff restructuring costs	-	33
Total staff expenditure	20,578	20,122

Staff restructuring costs comprise:

Redundancy payments	-	15
Other restructuring costs	-	18
	-	33

Non statutory/non-contractual staff severance payments

Staff restructuring costs include PILON payments of £Nil (2020: three PILONS of £15,668), a compensation payment of £Nil (2020: £2,077) and a confidentiality payment of £Nil (2020: £100).

Staff numbers

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

	2021 Number	2020 Number
Teachers	230	235
Administration and support	258	262
Management	7	6
	495	503

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff (Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,001-£70,000	14	9
£70,001-£80,000	5	2
£80,001-£90,000	2	-
£90,001-£100,000	1	2
£120,001-£130,000	-	1
£130,001 - £140,000	1	-
	<u>23</u>	<u>14</u>

22 (2020:13) of the employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, employer pension contributions for these staff amounted to £382,623 (2020: £230,476). One of the highest paid staff participated in the Local Government Pension Scheme, so pension contributions amounted to £11,718 (2020: £11,170).

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team roles as listed on page 3. The Trustees do not receive remuneration for their services as Trustees. The total cost of the senior management team (including employer national insurance and pension contributions) to the Academy trust was £978,854 (2020: £639,288). This includes £Nil exit payments (2020: £Nil). The principal at Copley Academy was on secondment from Rodillian Multi Academy Trust in the prior year and services were provided under a secondment agreement. the costs associated with this post are included in the total above and amount to £Nil (2020: £123,120).

B Loughran (Current CEO)

- Remuneration £135,661
- Employer's Pension contributions £32,104

11 Central services

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

- Human Resources
- Finance
- Legal
- Governance
- School Improvement
- Health & Safety
- Central funding via intervention funds
- Health Cashback Plan

The Academy Trust charges for these services as a percentage of income and is currently charged at 5.5% (2020: 4.5%). The actual amounts charged in 2021 were as follows:

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Central services (Continued)

The amounts charged during the year were as follows:	2021	2020
	£'000	£'000
Great Academy Ashton	400	315
Middleton Technology School	401	311
Copley Academy	206	167
Silver Springs Primary Academy	99	85
	<u>1,106</u>	<u>878</u>

12 Trustees' remuneration and expenses

Trustees did not receive any payments, other than expenses, from the Academy trust in respect of their role as Trustees.

During the year ended 31 August 2021, travel expenses totalling £22 were reimbursed or paid directly to four Trustees (2020: £470 to one Trustee). The Trust also paid for relevant Professional course fees for Trustees in the prior year. During the year ended 31 August 2021, these fees totalled £Nil (2020: £213).

13 Trustees and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The Academy Trust is a member of the Education funding and Skills Agency's Risk Protection Arrangement which provides cover for Governors, Officers and Trustees with a liability limit of £10m. the cost of this insurance is included in the total insurance cost.

14 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2020	64,637	1,339	2,032	68,008
Additions	-	509	194	703
	<u>64,637</u>	<u>1,848</u>	<u>2,226</u>	<u>68,711</u>
At 31 August 2021	64,637	1,848	2,226	68,711
Depreciation				
At 1 September 2020	8,267	1,053	1,342	10,662
Charge for the year	1,232	260	240	1,732
	<u>9,499</u>	<u>1,313</u>	<u>1,582</u>	<u>12,394</u>
At 31 August 2021	9,499	1,313	1,582	12,394
Net book value				
At 31 August 2021	<u>55,138</u>	<u>535</u>	<u>644</u>	<u>56,317</u>
At 31 August 2020	<u>56,370</u>	<u>286</u>	<u>690</u>	<u>57,346</u>

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets (Continued)

Academy land and building for Great Academy Ashton, Silver Springs Primary Academy, Copley Academy and Middleton Technology School have been recognised in the balance sheet on the basis that substantially all the risks and rewards of ownership lie with the Academy Trust and are subject to long leasehold agreements of 125 years.

15 Debtors

	2021 £'000	2020 £'000
Trade debtors	25	17
VAT recoverable	414	142
Other debtors	-	31
Prepayments and accrued income	1,826	753
	<u>2,265</u>	<u>943</u>

Included within prepayments & accrued income is a provision of £Nil (2020: £54,000) against income which is due to the trust but may not materialise.

16 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	709	297
Other taxation and social security	670	312
Other creditors	253	250
Accruals and deferred income (see note 17)	1,200	3,999
	<u>2,832</u>	<u>4,858</u>

17 Deferred income

	2021 £'000	2020 £'000
Deferred income is included within:		
Creditors due within one year	<u>203</u>	<u>34</u>
Deferred income at 1 September 2020	34	29
Released from previous years	(34)	(29)
Resources deferred in the year	<u>203</u>	<u>34</u>
Deferred income at 31 August 2021	<u>203</u>	<u>34</u>

Deferred income at 31 August 2021 includes SEN income, SEN top up income and Autumn 2021 Nursery funding. Similarly deferred income at 31 August 2020 included universal infant free school meals for 2019/20 and Autumn 2020 nursery funding.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	2,131	20,054	(20,821)	-	1,364
Other DfE / ESFA grants:					
- Pupil premium	-	1,464	(1,476)	-	(12)
- Others	-	1,246	(1,368)	-	(122)
Catch-up premium	-	287	(287)	-	-
Other DfE / ESFA COVID-19 funding	-	118	(118)	-	-
Other government grants	-	312	(305)	-	7
Teaching school	50	425	(356)	-	119
Other restricted funds	331	-	-	-	331
Pension reserve	(12,849)	-	(1,334)	(2,645)	(16,828)
	<u>(10,337)</u>	<u>23,906</u>	<u>(26,065)</u>	<u>(2,645)</u>	<u>(15,141)</u>
Restricted fixed asset funds					
Inherited on conversion	57,346	-	(1,665)	-	55,681
DfE group capital grants	-	1,651	(67)	-	1,584
	<u>57,346</u>	<u>1,651</u>	<u>(1,732)</u>	<u>-</u>	<u>57,265</u>
Restricted endowment fund	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total restricted funds	<u>49,009</u>	<u>25,557</u>	<u>(27,797)</u>	<u>(2,645)</u>	<u>44,124</u>
Unrestricted funds					
General funds	<u>3,894</u>	<u>568</u>	<u>-</u>	<u>-</u>	<u>4,462</u>
Total funds	<u>52,903</u>	<u>26,125</u>	<u>(27,797)</u>	<u>(2,645)</u>	<u>48,586</u>

Historic income generated from endowed investments, donations from previous related parties and Middleton Technology School Fund balance on conversion have been credited to unrestricted funds.

Restricted incoming resources must be used by the academy to deliver and improve educational provision. The restricted fixed asset fund includes the Devolved Formula Capital Grant and land and buildings.

Where assets have been purchased with a cost in excess of capital funding received in the year, funds have been transferred from the general reserve to the fixed asset reserve. In addition, where specific projects have been funded from unrestricted reserves, the value of these projects has been transferred from unrestricted reserves to general reserves.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds (Continued)

Funds prior year

	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)	1,886	19,504	(18,973)	(286)	2,131
Other DfE / ESFA grants:					
- Universal infant free school meals	-	-	-	-	-
- Pupil premium	-	1,522	(1,522)	-	-
- Others	-	1,176	(1,176)	-	-
Other government grants	-	400	(400)	-	-
Teaching school	25	221	(196)	-	50
Other restricted funds	331	-	-	-	331
Pension reserve	(9,358)	-	(1,161)	(2,330)	(12,849)
	<u>(7,116)</u>	<u>22,823</u>	<u>(23,428)</u>	<u>(2,616)</u>	<u>(10,337)</u>
Restricted fixed asset funds					
DfE group capital grants	58,553	76	(1,569)	286	57,346
Restricted endowment fund	2,000	-	-	-	2,000
Total restricted funds	<u>53,437</u>	<u>22,899</u>	<u>(24,997)</u>	<u>(2,330)</u>	<u>49,009</u>
Unrestricted funds					
General funds	3,825	616	(547)	-	3,894
Total funds	<u>57,262</u>	<u>23,515</u>	<u>(25,544)</u>	<u>(2,330)</u>	<u>52,903</u>

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds (Continued)

Total funds analysis by academy

Fund balances for each academy as at 31 August 2021 and 31 August 2020 were zero, hence a breakdown by academy is not included in these accounts.

	2021 £'000	2020 £'000
Fund balances at 31 August 2021 were allocated as follows:		
Great Academy Ashton	1,802	2,058
Middleton Technology School	3,145	2,970
Copley Academy	(276)	(163)
Silver Springs Primary Academy	691	626
Central services	787	915
Total before fixed assets fund and pension reserve	6,149	6,406
Restricted fixed asset fund	57,265	57,346
Endowment fund	2,000	2,000
Pension reserve	(16,828)	(12,849)
Total funds	48,586	52,903

Copley Academy is carrying a net deficit of £276k (2020: £163k) as a result of historically falling pupil numbers and a number of teaching staff on pay protection agreements, which only ended on 31 August 2020. The academy are developing a deficit recovery plan in order to eliminate the deficit balance, which is focused around costs savings and strong pupil growth. The academy trust is supporting Copley during the recovery period, taking the following actions to return the academy to surplus:

Total cost analysis by academy

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	Total 2021 £'000	Total 2020 £'000
Great Academy Ashton	5,347	994	491	1,532	8,364	8,097
Middleton Technology School	5,498	976	726	1,497	8,697	7,856
Copley Academy	3,004	520	199	1,282	5,005	4,362
Silver Springs Primary Academy	1,756	305	185	312	2,558	2,401
Central services	495	575	3	(966)	107	985
	16,100	3,370	1,604	3,657	24,731	23,701

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	-	-	56,317	-	56,317
Current assets	4,462	4,519	948	2,000	11,929
Creditors falling due within one year	-	(2,832)	-	-	(2,832)
Defined benefit pension liability	-	(16,828)	-	-	(16,828)
Total net assets	4,462	(15,141)	57,265	2,000	48,586
	Unrestricted Funds	Restricted funds: General	Fixed asset	Endowment Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	-	-	57,346	-	57,346
Current assets	3,894	7,370	-	2,000	13,264
Creditors falling due within one year	-	(4,858)	-	-	(4,858)
Defined benefit pension liability	-	(12,849)	-	-	(12,849)
Total net assets	3,894	(10,337)	57,346	2,000	52,903

20 Schools Sports Partnership (SSP)

Schools Sports Partnership are groups of schools working together to develop PE and sport opportunities for young people. In 2010 Great Academy Ashton became host to Tameside SSP comprising a partnership development manager, seven local secondary and thirty four primary schools. Additionally, the academy hosted other smaller community sporting projects. 2011 was the final year for this activity in its previous form, as funding streams for schools sports activities have changed. However the SSP Development Manager remains in post and accesses available funding in order to continue these activities. These sporting projects spent grants of £50,333 in the year (2020: £24,687). The associated expenditure is excluded from the academy's income and expenditure account on the basis that the Academy acts only as host to these projects. The balance contained within Other Creditors for SSP was £92,976 (2020: £105,525).

21 Capital commitments

The are no capital commitments at the year end.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	15	24
Amounts due between one and five years	13	27
	<u>28</u>	<u>51</u>

Other contractual commitments

At 31 August 2021 the total of the academy trust's future minimum lease payments under other contractual commitments was:

	2021 £'000	2020 £'000
Amounts due within one year	538	-
Amounts due between one and five years	2,276	-
Amounts due after five years	5,289	-
	<u>8,103</u>	<u>-</u>

A non-cancellable contract exists for the Great Academy Ashton in the form of annual charges to cover the service costs associated with the delivery of hard facility management activity which is charged by the local authority, who pass the costs charged by the Local Enterprise Partnership vehicle tasked with management of the contract. The commitment amounts are subject to an increase which is linked to the retail price index. These costs incurred in year are recognised within the SOFA.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,672)	(2,029)
Adjusted for:		
Capital grants from DfE and other capital income	(1,651)	(76)
Interest receivable	(5)	(51)
Pension costs less contributions payable	1,107	983
Pension scheme finance costs	227	178
Depreciation of tangible fixed assets	1,732	1,569
Movements in working capital:		
(Increase)/decrease in debtors	(7)	23
(Decrease)/increase in creditors	(2,025)	516
Net cash (used in)/provided by operating activities	(2,294)	1,113

24 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	8,898	(1,879)	7,019

25 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.

26 Pension and similar obligations

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

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

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

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20). The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £2,241k (2020: £2,041k).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6 to 20.5% for employers and 5.5 to 12.5% for employees.

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

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Pension and similar obligations (Continued)

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	825	16,380
Employees' contributions	260	237
Total contributions	1,085	16,617

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2021 by a qualified independent actuary.

	2021 %	2020 %
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0

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

	2021 Fair value £'000	2020 Fair value £'000
Equities	14,710	11,300
Bonds	3,108	2,659
Cash	1,450	1,495
Property	1,450	1,163
Total fair value of assets	20,718	16,617

The actual return on scheme assets was £3,365,000 (2020: £369,000).

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

26 Pension and similar obligations (Continued)

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	1,932	1,707
Net interest cost	227	178
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	11
Total operating charge	2,159	1,896

Changes in the present value of defined benefit obligations	2021 £'000
At 1 September 2020	29,466
Current service cost	1,932
Interest cost	516
Employee contributions	260
Actuarial loss	5,721
Benefits paid	(349)
At 31 August 2021	37,546

Changes in the fair value of the academy trust's share of scheme assets	2021 £'000
At 1 September 2020	16,617
Interest income	289
Return on plan assets (excluding net interest on the net defined pension liability)	3,076
Employer contributions	825
Employee contributions	260
Benefits paid	(349)
At 31 August 2021	20,718

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

27 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. The Academy Trust identified one organisation which falls under the category. This includes:-

- Rodillian Multi Academy Trust (RMAT)

The Academy Trust entered into a secondment arrangement with RMAT to second two staff members to take up key leadership posts at Copley Academy. The posts have been filled are the Principal and Vice-Principals roles. The payments under this arrangement represent the actual salary costs of the staff members, 5% indirect costs and travel costs. The 5% indirect costs represent administrative charges and the costs associated with the employer having to replace these staff within RMAT.

The following is a summary of transactions with related parties:

	2021 £	2020 £
Staff secondment services from RMAT:	Nil	(227,707)

There was a trade creditor balance of £Nil (2020: £Nil) and £Nil costs within accruals (2020: £16,030) within Rodillian Multi Academy trust.

Our related party relationship with Rodillian Multi Academy Trust ceased in August 2020.

In entering into these transactions, the Academy Trust has considered the requirements of the ESFA's Academies Financial Handbook.

28 Agency arrangements

In the accounting period ending 31 August 2021 the academy trust received £221,875 (2020: £Nil) and disbursed £Nil (2020: £Nil) in respect of 16-19 students and £169,650 (2020: £236,671) in respect of trainee teachers (2020: £236,671). An amount of £90,784 (2020: £42,702) is included in other creditors relating to undistributed 16-19 bursary funds that is repayable to the ESFA.

GREAT ACADEMIES EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

29 Teaching school trading account

	2021		2020	
	£'000	£'000	£'000	£'000
Direct income				
Other external funding		425		221
Direct costs				
Direct staff costs	72		93	
Examination fees	33		-	
Educational consultancy	240		57	
Other direct costs	3		-	
	<u>348</u>		<u>150</u>	
Other costs				
Other support costs	8		46	
	<u>8</u>		<u>46</u>	
Total operating costs		(356)		(196)
Surplus from teaching school		69		25
Teaching school balances at 1 September 2020		50		25
Teaching school balances at 31 August 2021		<u>119</u>		<u>50</u>