

Company Registration No. 07641004 (England and Wales)

THE GREAT SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

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THE GREAT SCHOOLS TRUST

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THE GREAT SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr D Hayes Mr T Quinn Professor J Spencer Mr J Roberts Mr M Wyss
Trustees	Mr A Harper (Resigned 24 May 2021) J W Spencer (Chair of Trustees) K J McGing R Crowe M Ireland Mr M Puller (Resigned 16 July 2021) Mr M Aldred Ms J Hornby Mr N Miekle Mr G Lee Ms J Stiller Mr A Leah (Resigned 5 July 2021) Wg Cdr E L Sharrad-Williams (Appointed 5 July 2021) Mr J W Rigby (Appointed 7 September 2021)
Senior management team	
- CEO and Accounting Officer	Mr S Ierston
- Chief Strategic Officer	Dr A Reay
- Chief Finance Officer	Mrs E Davison
Company registration number	07641004 (England and Wales)
Principal and registered office	Hillock Lane, Woolston Warrington Cheshire WA1 4PF
Independent auditor	WR Partners Drake House Gadbrook Park Northwich Cheshire CW9 7RA

THE GREAT SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Royal Bank of Scotland plc
1 Dale Street
Liverpool
L2 2PP

Co-operative Bank
Balloon Street
Manchester
M4 4BE

Solicitors

Eversheds
Bridgewater Place
Water Lane
Leeds
LS11 5DR

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Financial Statements have been prepared in accordance with the accounting policies on pages 52 to 56 of this document. They comply with the charitable company's Articles of Association, the Academies Accounts Direction 2020 to 2021 Issued by the Education & Skills Funding Agency (ESFA), the Companies Act 2006, and the requirements of Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Great Schools Trust (GST) took its origins from Great Schools for All Children (GSAC) which began in 2012 with one mainstream secondary free school (King's Leadership Academy [KLA] Warrington), 38 children and 4 staff. In 2020/21, there were 5 academies in the Great Schools Trust, operating across 4 local authorities. Our goal is to provide an education which has all the advantages of an independent school but free of fees and selection. At the heart of this education is a high expectations knowledge and vocabulary rich curriculum which leads to a well above average uptake of the English Baccalaureate (EBacc) suite of subjects and qualifications by the end of KS4. In 2020/21, 73% of all Year 11 students across the trust were entered for the EBacc versus a national average of 39%, this despite a pupil premium average in excess of 40%.

In 2020/21 our 5 academies had a combined pupil admission number (PAN) of 3160 and had a roll of 2141 in the school census of Spring 2020 (an increase of 363 on the previous year), employing 151 teaching staff and 119 support staff.

This year the Trust was successful with 100% of its free school applications; of two applications submitted, both were approved, with the two new academies expected to come on line to open by 2024. GST also became an EdTech Ambassador trust in 2020 and has continued discussions regarding the future sponsorship of further academies. In addition to this, the Trust has started its own Initial Teacher Training programme, GST Schools Direct and is a regional hub for the Teacher Apprenticeship Programme.

Structure, governance and management

Constitution

Great Schools Trust ("the Company") is a company limited by guarantee with no share capital (registration no. 07641004) and is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Articles of Association require members of the charitable company to appoint not fewer than three Directors to be responsible for the statutory, constitutional affairs and management of the charitable Company.

The trustees of The Great Schools Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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. This contribution would be for the payment of the Company's debts and liabilities before it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of contributories amongst themselves.

Trustees' indemnities

The trustees are trustees of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. In accordance with normal commercial practice GST has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £500,000 on any one claim as shown in note 12 to the accounts.

Method of recruitment and appointment or election of trustees

Members and Trustees are appointed in accordance with the Articles of Association.

The Members of Great Schools Trust are responsible for the appointment of the Directors of the Trust Board, who in turn are responsible for appointments to their respective Local Academy Councils. The term of office for any Director is four years and thereafter they may be re-appointed.

In order to keep a balance of skills and expertise on each Trust Board, Trustees consider any skill gaps and may approach individuals (this may include parents) explaining the type of skills set or expertise the Trust is looking for. In selecting new Trustees, the Trust seeks to identify people who are willing to commit their time and skills for the advancement of the purposes of GST, adding value to the leadership of the Trust and ensuring good governance is secured. In order to find the people with the appropriate skills, there may be occasions where agencies, e.g. NuRole, Academy Ambassadors and other such organisations, are approached to see if they can help the Trust to find potential trustees with the required skill sets.

A short application form will be completed and the individual will be invited to meet key members of the central executive and non-executive team. In the case of parent governors, if more than one parent expresses an interest, then it may be necessary to hold an election within the parent body of the academy in question.

New directors are expected to bring a track record of governance with them. The present make-up of the Board includes many experienced professionals, many of whom are senior Directors in large corporations and have a detailed understanding of the operational and legal requirements of running a large institution.

The board regularly reviews its make-up and seeks to strengthen its membership as gaps arise. Existing Directors will then identify potential new Directors who will then sit on the Board as observers pending mutual ratification of appointment.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

If an appointment is made, the successful individual will receive an induction appropriate to their new role which enables them to gain an understanding of the ethos, values and strategic direction of the Company.

Immediately following appointment, all new Trustees receive an introduction to their role from the Chair and Chief Executive and can participate in governance training programmes arranged nationally. New Trustees are Inducted into the working of the Trust, including policies and procedures, at arranged meetings with the relevant member of the executive team. The training and induction provided will depend on the individual Trustees' skill set and experience. Where appropriate, induction will include training on educational, charity, legal and financial matters (with copies of policies, procedures, minutes, budget plans, management accounts and other appropriate documentation including the GST Governance Handbook).

This induction also includes the opportunity for tours to school sites and meeting members of the trust's central executive team and a school's Senior Leadership Team. All Trustees are required to sign and adhere to the Code of Conduct held by the Trust.

A decision was made to appoint an experienced Lead Governance Professional in 2020; all director meetings and the induction of new Trustees/Governors will be managed by this new 'Head of Governance' as of Academic Year 2021/22. This role will maintain a level of independence from the Executive Team in order to facilitate challenge and continuous improvement from the Board.

The Trust will then also have the capacity to offer an annual training programme for all Trustees this ensuring that new Trustees in particular receive sufficient support and information to enable them to discharge their role and are able to challenge and hold the Executive Board and Executive Team to account.

Organisational structure

Great Schools Trust has established a unified governance structure to enable its efficient running and to achieve its overall vision. The governance structure consists of five levels: the Members, the Board of Trustees, Academy Councils, the Executive and the Senior Leadership Teams within each academy. The aim of the governance structure is to create a cohesive framework within which the group of academies can be led as part of one organisation and to also encourage involvement in decision making at all levels.

The aim of the governance structure is to devolve responsibility via the Scheme of Delegation and encourage involvement in decision making at all levels. Terms of Reference for these groups are published alongside the Scheme of Delegation to ensure that at all levels people are clear about their responsibilities.

Members

The Members of the Company define the Object, Purpose and Ethos of the Company.

The Members meet at least annually to review the performance of the Trust and ensure that the Trustees are working within the articles of association. The Members are responsible for reviewing the Board skills audit to address any deficiency in governance.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Directors

The Trustees, who form the Trust Board, have overall responsibility and ultimate decision-making authority for all the work of the Company, including the establishing and running of schools and, in particular, each academy as a school. The Trustees give their time freely and receive no remuneration in their role as Trustees or other financial benefits. This is largely exercised through strategic planning and the setting of policy. It is managed through the business planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes. The Trustees have the power to direct change where required to ensure that the Object, Purpose and Ethos of the Company are met.

The Directors are responsible for making major decisions about the strategic direction of the Company, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting a 3 year strategic plan and budget, monitoring the Company's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

The Trustees meet half termly and are responsible for all decisions taken in relation to the activities provided by the Trust. The Trustees have established a Finance & Audit Committee that meets quarterly to ensure the independent checking of controls, systems, transactions, and risks. The Trust has delegated some decision making to this additional Trustee committee. The Trust has a clear scheme of delegation regarding the delegation of these decisions; this also details the decisions that have been delegated to management to ensure the day to day operational capacity of the Trust.

The Trustees will establish a Risk/Audit Committee that meets termly to ensure the independent checking of financial controls, systems, transactions and risks.

Local Academy Councils

Each Local Academy Council act as advisory bodies to the GST Board. In each academy the LAC provides feedback and additional support and challenge to ensure that the organisation acts according to our ethos and represents the needs of our students, parents and the communities we serve. The LAC is also involved in developing wider community programs in areas where our academies are located. This includes a specific focus on supporting our students and their families in their lives outside of the academy. The chair of each LAC is a co-opted trustee. The Principal of each academy is an ex officio member of the LGB.

Executive Team

The Trust, as a multi-academy trust (MAT), has central a team to support its academies in relation to their education standards, school improvement, and business operations. The Trust chief executive officer is the accounting officer.

The Executive team is listed on page 1. The Executive Team, consisting of the CEO and the Executive leaders, control the Trust/academies at an executive level by implementing the policies laid down by the Trustees and reporting back to them regularly. The central education directorate are responsible for overseeing the leadership of the local academies and offer strategic advice in respect of school improvement and the development and teaching and learning.

A comprehensive scheme of delegated authority laid down by the Directors defines the limits of commitments that can be incurred by the Executive. It also sets out how detailed financial management should be carried out in each academy.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Academy Leadership Teams

The Academy Leadership Teams consist of the senior management at each academy. Individual academy Senior Leadership Teams (SLTs) include the Principal, Vice Principals, Assistant Principals and the Operations/Business Manager. These managers are responsible for the day-to-day operation of the academy, in particular organising teaching staff, facilities and students.

The above leaders and managers control the individual academies at an executive/principal level implementing the policies laid down by the Trustees of the Board and reporting back to them. The Principals across the Trust are responsible for the authorisation of spending within agreed budgets and the appointment of staff at their academy. Some spending control is devolved to members of their Senior Leadership Team with financial limits above which a Senior Manager must countersign - details of the levels of authority can be found in the Trust's Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

None of the Directors or Trustees of the company receive any remuneration for their services.

Remuneration is a key function of the Trust's Finance and Audit Committee. This Committee meets regularly to consider the pay of senior employees and to ensure that pay follows an evidence-based process and reflects individuals' roles and responsibilities. In considering executive pay, the committee benchmarks against external data available, including cost per pupil, cost per academy and ratio to lowest paid employee.

Executive Team

The pay of key management personnel noted on page 1 (Executive Group) is determined by a subgroup of the Board. The levels of pay are determined based on an externally moderated job evaluation. The scheme of delegation requires that any pay recommendations for staff earning over the value of Leadership Scale L12 must be approved by the Board on the recommendation of the Finance and Resources Committee.

Academy Teams

The pay of academy Principals is based on the size of their academy and is consistent throughout GST. Vice Principals and other educational senior leaders are paid by reference to national leadership pay scales. A Pay Committee consisting of the CEO, Chief Operating Officer, Finance Director and Director of People authorises any increments in this range. There are no bonus arrangements for senior leaders.

Performance management reviews are conducted by the Board for the CEO and then, through the Scheme of Delegation, by the CEO, or delegated, via the scheme of delegation, annually for the senior management personnel.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Great Schools Trust strives for openness and transparency in its relationship with both staff and recognised union representatives. The Trade Union (Facility Time Publication Requirements) Regulations came into force in April 2017 which put in place provisions in the Trade Union Act 2016 requiring public sector employers with more than 49 full-time equivalent employees to publish information every year about their usage and spend on trade union facility time.

Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Trust gathers data from the representatives and academies annually in order to calculate and publish the summary data on the government site. The cost of the facility time is set by the relevant local authority (LA) and can vary from £1,500 to £10,000 according to school size and location. Academies receive an allowance as part of their funding to cover these costs in their delegated budgets. As part of the Trade Union Recognition Agreement (TURA) we have signed up to supporting the contribution to maintain good working relationships with the trade unions and to ensure staff are able to access representation when required.

Related parties and other connected charities and organisations

The Trust has no formal connections with other organisations.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is to advance, for the public benefit, education in the United Kingdom.

Objectives, Strategies and Activities

In setting the objectives, and planning the activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

Our vision

To create a mutually supportive group of outstanding schools that give every Great Schools' students the opportunity to go to university or pursue the career of their choice

Our mission

To develop in each of our pupils the academic skills, intellectual habits, qualities of character and leadership traits that are necessary to succeed at all levels and become upwardly mobile, successful citizens in tomorrow's world

Why we exist

We exist to bring aspiration and increased social value to the communities that are academies serve. We will achieve this by:

Committing ourselves to working in socially and economically challenging environments

Keeping each academy at the heart of its community and helping create local solutions for local issues

Acting as a hub of provision and support to each academy's community, providing a wide range of programmes and services that will be of benefit to those who live within it

Demonstrating a full commitment to the success of each and every one of our young people by:

Offering, through each of our academies, a high quality values driven educational experience comparable to the best independent schools without the burden of fees

Ensuring that the educational experience focusses on a broad academic provision that emphasises the central importance of reading, writing, numeracy and oracy proficiency, raises aspirations and encourages our young people to develop an optimistic outlook on life

Complementing this academic provision with a well-planned series of cultural, character building and leadership experiences that will help our young people develop social equity with their more affluent peers

Delivering an excellent careers programme which, underpinned by the Gatsby Principles, will ensure a smooth transition to employment, further and higher education

Supporting our young people in to and through their post school education or employment

Creating successful young citizens who become active and purposeful contributors to their community and our democratic society

Our Guiding Principles

The trust's first 5-year corporate plan was completed over the last 12 months which encompassed five principle goals:

Successful Citizens for tomorrows world who leave us having been taught and inspired by

Great Classroom Teachers & Academy Leaders in

Stimulating, safe and financially secure environments whose impact will be to create a

Legacy of aspiration within each of our communities secured by the achievement of the Trust's

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Five-year growth plan, 2021-2026

Successful Citizens for tomorrows world

To produce successful citizens at every level we wanted to become an exemplary provider of education (defined in KPI terms as a 'well above average' Trust) by creating and upholding exceptional standards of academic performance that will develop in each of our young people:

Strong beliefs and values which demonstrate mutual respect, tolerance, the liberty of individuals and the rule of law within our democracy.

Strong habits of daily punctuality and attendance together with a highly positive attitude to learning so as to maximise the time available to develop a strong grasp of core skills.

A strong grasp of the core skills in reading, number and oracy which must develop in line with a child's chronological age and be cognoscente of the need to acquire a reading age of 15 years and 7 months, the average accessibility reading age of GCSE examination papers, before entering Y11.

The knowledge, skills and technical vocabulary necessary to successfully access the world of work or further and higher education on their journey to becoming upwardly mobile.

The strength of character and leadership traits necessary to become an active and purposeful contributor to their own community and society as a whole.

A sense of purpose that drives him / her to fulfil his potential and the ability to compete with the best The ability and confidence to become an active and purposeful contributor to society

Great Classroom Teachers & Academy Leaders

To produce great teachers, we must become an exemplary provider of initial teacher training, professional development and talent management that will help our teachers:

Maintain an excellent subject knowledge

Work with highly experienced practitioners in gaining a better understanding of the appropriate pedagogical, behavioural and evidence based strategies to deliver outstanding lessons that produce a deep and lasting impact on student learning

Become reflective practitioners who are motivated to become recognised as a great teacher

Maintain a good work-life balance

Great leaders share a powerful commitment to executing the Trust's ambitious mission through the provision, in their academy, of a first-class and all-round education for all students which gives each young person the academic qualifications, intellectual habits, strength of character, leadership traits and sense of purpose to become a successful citizen who can make a positive contribution to the development of a fairer society in tomorrow's world.

Stimulating, safe and financially secure environments

If our young people are to become upwardly mobile successful citizens then we must equip them with a reliable moral compass and the navigation skills to find their own way through an increasingly uncertain, volatile and ambiguous world. We help them develop a moral compass through the continuous application of the ASPIRE Code until it becomes the lingua-franca of each classroom. The navigation skills will be honed by ensuring that, through the Trust's 'Vocabulary led – Knowledge rich' curriculum we help them acquire a sound body of academic and cultural knowledge and develop such skills as analytical and critical thinking, complex problem solving, judgemental and decision making, cognitive flexibility, etc. A stimulating learning environment is one which stimulates our students' minds and challenges them to become better and more reflective thinkers and learners with a strong moral compass.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Legacy of aspiration

Young people are more likely to achieve positive outcomes when they develop ambitious, achievable aspirations, combined with the self-esteem, self-efficacy, information and inspiration they need to persevere towards their goals. However, young people and their parents are also influenced by the people and places where they live.

Evidence suggests that a locally-tailored behavioural change approach could be effective in shifting attitudes, changing behaviours and improving outcomes. This would mobilise the community around the goal of doing the best for their young people. It would provide a new model for constructive local partnership working. By working closer with parents, local primary schools and community groups, academies within the Trust could act as a catalyst to producing a legacy of aspiration within the community that they serve.

Five-year growth plan

Strategic decisions are based on the long-term objective of growth for the Trust, maximizing the number of children whose life chances can be improved. We firmly believe that it is our moral duty to bring the GST educational model to as many communities as we are able to support. The Trust is strongly committed to serving areas in the North to transform the life chances of children and their communities through the highest quality teaching. GST academies serve areas with high levels of students eligible for Free School Meals and with Special Educational Needs and is continually looking to expand to reach as many children as possible to improve their quality of life.

As such scale matters for the trust, not as an end in itself, but as a means of delivering exceptional opportunities for learning to as many young people as possible. We believe the GST model is both unique and a tantalising prospect for families and their communities!

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

Section 172 Statement

As the Trust Board at Great Schools Trust, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which, as a Trust board, we carry out this responsibility.

Strategic Anchors

Strategic anchors are the trusts core values, practices and processes that guide our everyday actions, reactions and decisions. They are the important non-negotiables that help the trust, and each constituent academy, stay true to our mission, values and beliefs at times of challenge or growth. A strong understanding of the strategic anchors help ensure trustees, members of academy councils and members of each academy's senior leadership team better understand the trust's non-negotiables as well as being able to identify the artefacts and practices that evidence each non-negotiable.

Mission: In simple terms our mission is to empower each of our young people to lead a successful adult life. This means:

- ensuring the curriculum of each academy is a good fit for the educational starting point of each of our young children especially in language acquisition, literacy and numeracy levels and oracy to develop confidence in public speaking
- that its intent is to empower each of our young people with the knowledge, skills, cultural and social capital that they will need to compete with their more advantaged peers on a level playing field
- that it is delivered in an ambitious, imaginative, challenging manner that is sequenced so as to allow our young people, irrespective of their educational challenges, to build upon their existing knowledge so as to access future knowledge
- that it systematically builds an academic vocabulary for each of the individual subject disciplines that are followed
- that it allows each of our young people to acquire the necessary character and leadership qualities to succeed and become the confident young leaders of tomorrow

Values: Values led education is an approach which helps our young people become responsible for their own behaviour and decisions. It provides a moral and civic framework which helps them codify their behaviour and gain a better perspective of life which, in turn, will help them become more confident, responsible and sensible as they enter the adult world. To achieve this each of our academies will:

- induct all staff in to the positive use of the ASPIRE Code so that it becomes the lingua-franca of the academy permeating all daily actions, reactions and decisions
- induct all students and parents in to the ASPIRE Code at the point of entry

Beliefs: It is our firm belief that every young person, irrespective of educational challenge, ethnicity, postcode or family circumstance can – and should – succeed. We achieve this by:

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- modelling successful flight paths / legacies on each classroom door
- empowering each young person to think through their flight path or legacy at the point of entry and revisiting their progress towards this aspiration each learning cycle

Our students and parents

As a Trust and series of leadership academies, we put our students at the heart of everything we do and we strive vigorously to remove conditions which place people at a disadvantage.

Specialism: The development of both character and leadership in each of our young people is a cornerstone of our mission. They cannot become upwardly mobile successful young citizens unless we empower them with the strength of character and leadership skills to assume such a role in life.

Routines: The Trust's educational model is firmly focussed on transforming life chances by actively shaping the minds, attitudes and habits of young people through a framework of cognitive education and strong habit forming routines that enables them to achieve self-discipline and become masters of their own destiny. As a Trust, our ultimate goal is that every individual, child or adult, in the organisation consciously recognises their own habits, strengths and areas for development and actively seeks to improve themselves, thereby creating transformational change in each individual.

Across the entrance of each academy is a quotation attributed to Aristotle 'We are what we repeatedly do, excellence is not an act but a habit'. To transform life chances we have to transform habits. It is the uniqueness of our specialism that helps mould our behaviours.

The establishment and maintenance of strong routines are the backbone of the daily life of a successful GST academy. They don't just make life easier, they save valuable learning time and enhance achievement.

Strong parental partnerships: The most effective schools develop strong partnerships with their parents and use such partnerships to ensure that parents can best help their child to succeed.

This is part of the Trust's culture: the parents of the students in our academies are continuously informed of the progress of their children and we communicate with parents through printed reports and a number of parental conferences every year.

Equal opportunities policy

The Trustees recognise that equal opportunities must be an integral part of good practice within the workplace and we are committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender, sexual orientation, ability, class and age.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in its employment as well as generally through training and career development.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

There are policies in place (Equality and Diversity policy, Health and Safety policy etc.) so that employees, who have been injured or disabled during the course of their employment can, where possible, continue with their employment. Development works to academy buildings to improve staff and pupil accessibility are carried out where identified such as lifts, ramps, toilets and door access to enable wheelchair access to all main areas of the academy buildings where possible.

Engagement with employees

GST has a clear mission and is committed to achieving this through enabling our people.

High quality teaching: We cannot achieve our mission without high quality teaching. We achieve this by:

- only appointing those applicants who can demonstrate a strong knowledge of their academic discipline and are closely aligned to our core values
- ensuring that they receive high quality, personalised professional development every week on their journey to becoming a master practitioner in their discipline

High quality leadership: High quality leadership is second only to high quality classroom practice in determining strong rates of progress for all learners. Research shows a clear connection between skilled school leadership and positive student outcomes. Highly effective leaders apply their educational expertise and management skills in ensuring that classrooms are effective places of learning. Such skills include ensuring high rates of attendance, positive behavioural norms, learning focussed inclusive classrooms, the continuous use of evidence based practice including e-technology, an unrelenting focus on student achievement, the development of high leverage, efficient, low cost standardised procedures across the trust and harmonious staff – student relationships.

A range of leadership development opportunities have been implemented to enable our leaders, helping them to create the culture of an organisation genuinely connected with people. GST believes that our character development and leadership specialism is our priority. The reason for this is both simple and profound: our character affects everything we do. We achieve this by:

- the establishment of a leadership college that will serve the leadership development of all trust employees
- the establishment of a suite of leadership programmes customised to the mission, values, beliefs and educational model of the trust

As an organisation we are clear about the benefits of connection and wellness and the value of collaborative, communicative and open cultures. This is summarised in its 2020/21 strategy (described in the objectives, strategies and activities section of this report) to recruit and retain staff who are the owners of and catalyst for our vision.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Similarly, connection with and through our staff enables us to create an authentic culture. The company has a range of methods for communicating and engaging with employees these include:

- Regular staff bulletins, the creation of a new staff portal which contains a cross trust curriculum resources and virtual CPD every 7 weeks. We also run a whole trust conference each year to provide an opportunity for staff to hear about the strategic direction of the trust and provide specific training.
- The Trust encourages staff contribution at all levels and close collaboration between the academies. Principals meet with the CEO and COSO weekly to share knowledge and best practice. The many benefits of this approach have been evident during Covid. We are in the process of introducing a comprehensive whole trust training programme focused on the GST 'Cultural Credo' including regular whole trust and 'faculty of education' staff networks.
- Academies hold regular meetings and briefings. New staff are fully inducted and teachers take part in training before the start of and during the school year.
- The Trust continuously seeks to encourage the involvement of its employees in its management through regular staff meetings in order to challenge educational and social disadvantage.

To that end our People Directorate will be established in AY2021/22 to lead work on our employment framework, building the strength of GST as an 'employer of choice' through our recruitment, talent and succession management, recognition and reward strategies.

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

As a Trust, we aim to maintain the highest possible standards of integrity in business relationships with suppliers. Our ethos provides a framework that enables GST to form and maintain open, honest and compassionate relationships with our suppliers. Building strong, healthy supplier relationships can only gain better value for our organisation. The better we know, understand and respect our suppliers, the more likely we are to benefit from excellent service and preferential pricing. This is illustrated during the COVID-19 pandemic when we supported our key partners (through PPN 02/20) by continuing to pay costs in full, safeguarding employment; in return, our partners offered service flexibility, crucial at a time when our requirements were changing on a daily basis.

When selecting a partner, we not only evaluate cost and service but also social value – can this supplier help us to improve the communities around us, whether that be through direct support for our students' education, benevolence, creating employment opportunities or reducing carbon footprint.

Our aim is to form strong partnerships with a smaller number of suppliers. This offers better value for money and allows us to focus on quality and reliability of service.

Our regulatory funding partners

The Trust Board believes that constant engagement with the ESFA, Local Authorities and other government agencies is vital to our success. During the year, we have complied with all the financial and non-financial requirements of our donors and sponsors and submitted timely reports and returns. Our CEO and Executive Directors have ensured that our Trust adheres to all regulatory and legal requirements in delivering educational service and activities.

Our planet

The Trust Board is committed to reducing our carbon footprint. We are working with an energy consultant to improve the energy efficiency of our buildings where possible. This includes improving the insulation of our buildings and updating heating equipment to more energy efficient plant. We dispose of waste responsibly and recycle materials where possible.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Energy and Carbon Reporting

The trust is committed to reducing its carbon footprint and reducing its impact on the environment. The following data presents the Greenhouse Gas and Energy use data for the trust.

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	2020/21
Energy consumption used to calculate emissions (kWh)	
Gas	3,014,842
Electricity	992,363
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	611.92
Total Scope 1	611.92
Scope 2 emissions in metric tonnes CO ₂ e	
Electricity consumption	210.71
Total Scope 2	210.71
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	2.54
Total gross emissions	825.17
Intensity ratio Tonnes CO ₂ e per pupil	0.38

Our methodologies for calculating these statistic are:

Quantification and reporting methodology – We have used the 2021 UK Government's Conversion Factors for Company Reporting.

Business mileage – mileage taken directly from staff claims.

Gas and Electricity Usage – This has been extracted from supplier invoices and then the 2021 UK Government's Conversion Factors for Company Reporting were applied.

The following initiatives have and are being taken to improve energy efficiency:

In 2020/21 all doors and windows were replaced in King's Leadership Academy Hawthornes to improve insulation.

We are exploring LED lighting across the trust.

The roll out of Zoom across the trust has enabled all central staff to reduce business travel.

We are exploring the installation of electric charging points to encourage the use of electric vehicles and once installed will lease electric minibuses.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Public benefit

The Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to public benefit in determining the activities undertaken by the Trust and have complied with the guidance issued by the Charity Commission relating to public benefit. The principal activities and objectives of the Trust are the advancement of education for public benefit in the United Kingdom by establishing, maintaining and developing high performing schools.

Our schools are nationally recognised for offering a broad curriculum underpinned by our core values and a relentless focus on the highest standards of student achievement.

The Trust is keen to emphasise the public benefit provided by the Trust, which can be seen by the activities, and performance outlined within the Trustees' report.

The main public benefit delivered by the Trust is the provision of a high quality of education to its students. This has been evidenced through the results achieved and feedback from external assessments.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Who we are

The Trust Board and leadership team are strongly committed to serving areas across the North West with a history of poor education to transform the life chances of children and their communities. We cater for children aged 11-19 in five academies in the inner-city communities of Liverpool, Warrington and Bolton.

There are four secondary mainstream academies and an Alternative Provision unit. Over the past five years, our Trust has doubled in size, growing to serve around 2,500 students, supported by 270 staff, and with a budget of £15m. One of our academies is judged Outstanding; one judged Good having been sponsored from Special Measures; one judged as Requiring Improvement having also been sponsored from Special Measures and a further two academies are awaiting their first inspection once Ofsted's programme re-starts in 2021/22.

What we do

Our Trust's mission is to challenge educational and social disadvantage and be a catalyst for social and geographical mobility. By the age of 18, we want every student to have the choice of university or a high-quality apprenticeship.

How we behave

We are a values-driven organisation, and our academies are communities with a strong sense of moral purpose. Our students are expected to make outstanding progress that will enable them to succeed in further or higher education and in the world of work. We spend more time in school than other Trusts through an extended school week which provides students with the equivalent of a 6-year key stage 3&4, as well as a plethora of leadership and character-building opportunities to broaden their horizons and engage in a wider range of co-curricular experiences.

Our unique educational model

The GST educational model emerged from a seven-year study of successful Charter Schools in the United States and the best practices found in the independent sector. The model was first introduced into King's Leadership Academy Warrington as the trust's first start up free school in 2012. It is currently the highest performing non-selective secondary school in Cheshire as well as the most oversubscribed. The GST blueprint however goes well beyond the offering of a broad and balanced curriculum, including a very high take up of the English Baccalaureate, in excess of 90% of all students in our start up free schools. It offers, from the important parent and child teacher conference prior to entry in to Y7 to post 16 transition:

- An unswerving belief that all children can succeed given appropriate support and time
- A longer school day (8.00am-4.00pm) to allow additional time for this to happen
- A fierce concentration on the delivery of a values-based education based on our ASPIRE Code delivered in an ethos of high expectations
- A firm belief that structure liberates learning and routines such as silent student-led line ups, quiet transitions, agreed classroom entry strategies and habitual ways of working and behaving in class, which respect other learners and allow all to maximise achievement
- Continuous exposure to positive role models from the world of work to raise the aspirations of our young people
- A challenging 'vocabulary led – knowledge rich' curriculum delivered as a narrative over time through 24 Learning Cycles which have been reverse engineered to lead to success at external examinations

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- A weekly enrichment afternoon to allow the curriculum to be personalised to student interests
- Well defined intervention strategies to help our young people overcome the barriers to learning which may impede their future success
- Character development to help them acquire the determination, resilience and tenacity to succeed
- Outdoor residential activities to help them develop as leaders
- Opportunities for public and civic service to encourage community participation and engagement
- Annual trips to universities to foster high aspirations
- A planned programme of activities and visits to improve each young person's cultural capital
- Exposure to highly qualified teachers who know their subject discipline well and are offered continuous training in improving their pedagogical practice and understanding the science of learning
- Excellent careers programmes designed to ensure that every young person transitions smoothly from Y11 to sixth form college, further education or a high-quality apprenticeship to reduce NEETs (Young people not in education, employment or training) is a prime driver for our academies
- A sense of moral purpose when they leave our care

This is a unique educational model designed to enable every young person, irrespective of their family circumstances or postcode, achieve our mission – the development of the academic skills, intellectual habits, strength of character and leadership traits on their journey to becoming a successful young citizen determined to play their part in helping forge a fairer society in their own community if not the wider world.

Our impact

The trust's first school, King's Leadership Academy Warrington, opened in 2012 as a 11-18 free school with a distinct 'leadership' specialism and with the vision of driving system change and enhancing the social and geographical mobility of its community. To make this vision a reality, systems and structures were adopted that provided the same educational standards of an independent/grammar school but were free of fees and the burden of selection to all children in the local catchment. By 2019 the academy became the highest performing non-selective state school in Cheshire and ranked in the top 5 of the highest performing free schools nationally. Over 95% of its students have progressed onto their first-choice university in the last 3 years (compared to 8% HEI progression pre-2012 in the locality).

Our Trust has also applied this educational model with great success into existing schools which has turned around failing schools in special measures to strong effect. In 2016 the trust sponsored and re-brokered into the GST two schools that were in special measures and at risk of closure due to falling student rolls. In 2021 both King's Leadership Academy Liverpool and Hawthornes will be oversubscribed in Year 7 for the first time in their history. In 2019, King's Leadership Academy Bolton opened in Great Lever as the trust's second mainstream free school. It has been oversubscribed since its first year of opening and like King's Warrington offers an 8am-4pm core school day, class sizes of no greater than 26 and standards that match the best selective schools in the locality.

All GST academies close early every Friday so that all teaching staff can undertake two hours of CPD/CPLD weekly, the equivalent of 20 Inset days per annum.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our EdTech Provision

In addition to our EdTech infrastructure supporting progress against our academic objectives and responding to the challenges brought by Covid-19, we also made significant progress across other elements of our strategy.

King's Warrington's attendance since the start of lockdown on 20th March 2020 did not fall below 99% of its entire cohort due to the EdTech infrastructure it set up by 1st March 2020, some 3 weeks prior to national lockdown, and which has now transcended not only every academy in the trust as an EdTech ambassadors, supporting a further 80 primary and secondary schools in the region. In 2020/21 the academy was shortlisted for the TES National Secondary School of the Year Award for its exceptional level of inclusion during lockdown and became an EdTech Ambassador school for the North West given its use of technology, every single lesson delivered live on zoom during every lockdown period.

As an inclusive academy trust, GST supported and financed the roll out of the same EdTech and ICT infrastructure systems for all of its academies by September 2020 to ensure that remote learning, in form of live zoom lessons every lesson, google classroom and docs enabled a fine blend of live teaching, live marking, document sharing and online meetings, to all staff and pupils, ensuring they all had a device in school or at home during lockdown to participate in their lessons and learning fully.

This commitment to getting all our students learning either in their academy or whilst at home during lockdown or isolation has positively impacted our attendance since the easing of restrictions during 2020/21. Monitoring attendance has also been key via the trust's investment in a brand new MIS (BromCom) for every academy over 2020/21. The information is presented in Power BI and has a combination of context, outcomes, and real time information so leaders at all levels can track and monitor trends including those in attendance, exclusions, and elective home education requests, with similar levels of functionality for behaviour/attitude to learning, academic outcomes and communications with parents and students via both student and parent portals. Whilst attendance figures are hugely distorted by the pandemic and lock down our attendance in the final term of 2020/21 was significantly above national.

Virtual ITT: The Trust also worked in partnership with three leading HEI providers of ITE to fully support their trainee 1st and 2nd placements and alternative phase experiences for the benefit of the whole education system. Our values shone through during this time, and we really did achieve more by working together, creating what is believed to be the first fully virtual ITT school, where 75 trainees across 6 subject areas observed, co-taught and independently taught live lessons all via the zoom platform and the hybrid flexible model in academies. This strategy made the national media on several occasions.

Progress with this year's strategic plan

The following section provides a progress summary of the trust's first 5 year corporate plan that was completed over the last 12 months and which encompassed our five principle goals detailed in an earlier section:

Successful Citizens

In support of our first guiding principle:

- For each and every member of staff models the ASPIRE Code and adopts it as their lingua-franca throughout each school day

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

In the last 12 months we have:

- ensured that each new member of staff is introduced to, and thoroughly understands, continually models and upholds the beliefs, values and high expectations of the trust, the ASPIRE Code and the daily routines and practices which continually reinforce the Code
- ensured, through daily staff briefings and student assemblies, examples of excellent in the use of the Code
- reframed our awards events to emphasise the importance of the Code
- For each of our young people have a strong grasp of the essential core skills by the end of Year 8

In the last 12 months we have:

- ensured each young person, prior to entry, undertakes a cognitive ability, writing, reading and number assessments to inform the necessary intervention strategies that will be needed for success
- ensured our Lesson Zero, focusses on the use of intervention strategies to remediate deficiencies in essential skills, is in place in each of our academies and operating successfully
- assessed each individual student's reading and number progression at least once per year and up to three times per academic year for those students who have not demonstrated the equivalent of 12 months' progression in the last academic year.
- introduced a 'great readers' scheme in Y7 and Y8, supported through the strategic application of a virtual GST library accelerated and STAR reader to ensure reading book level of difficulty matches or exceeds reading age.
- The knowledge, skills and technical vocabulary necessary to successfully access the world of work or further and higher education

In the last 12 months we have:

- provided 100% of our young people with the latest technology and online methods of learning both in school and at home
- applied the best classroom and online pedagogical practice, techniques and systems as an EdTech Ambassador trust that has help close the gaps pre and post Covid-19 and protect against these gaps opening during future outbreaks
- continued to develop and refine our rigorous 11-16 knowledge and vocabulary rich curriculum that both emphasises and continues to develop the core skills to success of reading, writing and numeracy skills of every child in line with their chronological age, as the basis of every student's academic and intellectual education
- continued to assess each student's individual progress on mastering the necessary knowledge and technical vocabulary by assessing his / her progress at the end of each 7 week 'Learning Cycle' and devising 'gap week' intervention strategies to ensure that no student is left behind

- The ability to compete with the best

In the last 12 months we have

- continued to develop our 'King's Scholars' programme in each of our academies enabling 10% of our year 11 cohorts to achieve 110% scholarships to the top independent school 6th forms in the country
- achieved our first cadre of Oxbridge admissions from our King's Warrington 6th form, with over 50% of the year 13 cohort securing a place at a Russell Group university

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- The strength of character and leadership traits necessary to become an active and purposeful contributor to their own community and society as a whole
In the last 12 months we have ensured:
 - that each academy continues to teach 'leadership' as a timetabled subject within its curriculum from Y7 to, and including, Y10
 - that all students in Y7 and Y8, despite the closure of outward bound centres during lockdown, are set to attend an overnight residential experience in half term 1 of AY 2021/22
 - that each academy continues to offer a D.o.E. bronze award in y9 and Y10, with King's Warrington again completing the award for 100% of its cohort
 - each academy has maintained a full CCF cohort throughout lockdown, continuing parades in both physical and virtual formats. Leo Robinson of King's Hawthornes was promoted to the highest post as First Sea Lord Cadet and will be working with the staff of the First Sea Lord for the next twelve months.
 - King's Hawthornes became the lead South Sefton School for Oracy and, working in partnership with Merseyside Youth Association, a lead school for helping develop mentors in violence prevention
 - our team of personal development officers all undertook the Mental First Aid Train the Trainers course so that they can upskill key pastoral leaders in each of our schools to spot the first signs of poor mental health

Great teachers

In support of our second guiding principle:

- Maintaining an excellent subject knowledge
In the last 12 months we have:
 - implementing a standardised, Trust-wide curriculum. Trust-wide long term and medium term plans have been provided for E-Bacc subjects to all secondary schools to use
 - developed strong links between each curriculum area and the relevant department in a leading local university
 - enabled lead practitioners from each academy to meet virtually once every Learning Cycle to share best practice and latest innovations
 - secured throughout 2020/21 a strong first cohort of trainee teachers on the GST School Direct programme commencing 2021/22
 - secured 2 hours of weekly CPD in each academy's professional development programme for each practitioner to further improve their subject knowledge
- Developing great leaders
In the last 12 months we have:
 - officially launched the Institute of character and leadership as the Trust's training arm
 - used the institute to develop a King's Fellows leadership programme to coach the next generation of 15 academy leaders
 - launched an ITT programme through School Direct, including pre-ITT through the GST Teaching Scholar programme, to ensure all new Trust-based entrants to the profession successfully undertake the Early Careers Framework

Stimulating, safe and financially secure environments

In support of our third guiding principle, in the last 12 months through the appointment of a Director of Capital Buildings, Estates and Facilities, we have:

- delivered phase 2 and 3 temporary solutions for King's Leadership Bolton

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- achieved planning permission for the permanent solution for King's Leadership Academy Bolton and the Aspire Centre APU, Liverpool
- successfully delivered our first Condition Improvement Fund programme at King's Leadership Academy Hawthornes and secured two further CIF projects for 2021/22, a total value in excess of £2.5 million.

Estates management: Ensured that the Trust and each constituent academy has:

- a short, medium and long term plan for the strategic management of all Trust properties and resources
- an asset management plan that sets out the actions needed to achieve both the estate strategy plan and the ICT upgrading strategy plan
- a budget plan to support the asset management plan including the ICT upgrading plan
- a prioritised maintenance plan Estates safety

Ensured all academies:

- have effective safeguarding of children procedures in place
- have systems and processes in place to ensure the academy is compliant with the management legionella, electrical safety and other areas of health and safety
- have planned fire practices each term
- have effective business continuity and emergency action plans in place
- have an estate risk management plan in place

Financially secure:

We have in the last 12 months:

- ensured that key information is collated centrally in to a single system run by the Central Finance Unit
- established short, medium and long term financial plans which are continuously updated so that Trustees and Principals have access to real time information
- reported on the financial health of the Trust to the Trustee's Finance Committee on a monthly basis
- ensured that the annual spending plan is benchmarked on a national basis and the outcomes made available for Trustees, members of Local Academy Councils and individual academies
- ensured that the Trust, as a whole, is moving towards its objective of holding a 3% cumulative reserve
- ensured that common procurement systems are used across the Trust
- ensured that all newly appointed support staff receive central contracts, irrespective of their assigned academy, so that we will eventually move to the one pension provider
- migrated all academy payrolls on to a single Trust payroll
- formed a subsidiary trading arm which encompasses financial management advice, estates management advice, ICT support, cleaning and catering services and King's adventure
- appointed separate independent auditors to undertake the internal and external audit

Legacy of aspiration

In support of our fourth guiding principle:

By working closer with parents, local primary schools and groups within the community our academies that serve, we have in the last 12 months:

- Improved the standard of careers provision, further developing the Trust's CAIG programme with all academies working towards the Gold Standard of the CEAIG Award
- become more compliant with the Gatsby Benchmarks, evidenced by 100% progression into further education and training for all our academies.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

- further increased our academy's involvement with the Spring Board project for accessing post 16 education in the independent sector
- encouraged each academy to form partnerships with local primary schools, community groups and further / higher education to increase the cultural capital, attitudes, values and aspirations of the local community

Growth

In support of our fifth guiding principle:

Academies: King's Leadership Academy Bolton which launched in September 2019 continues to grow very successfully throughout year 2 of its operation, and for the second year running is heavily oversubscribed for its 180 yr7 places at a ratio of >2:1.

Both King's Liverpool and King's Hawthornes, who were both on the verge of closure at point of rebrokerage in 2016 with less than 30% uptake of places in year 7, for the first time in their history are now oversubscribed for September 2021 yr7 intake and undertaking appeals.

King's Leadership Academy Warrington continues to perform ahead of expectation operating the hybrid flexible model (all lessons streamed live on zoom so that any child/family isolating does not miss a single minute of learning) and budget in terms of student numbers going 50 over PAN given that number of first choice applications making it the most oversubscribed school in Cheshire.

The uplift in school admissions illustrates the strength of parental and local support for the trust's educational model and values based leadership, even in communities such as Bolton where we are new to them, yet have fully supported the longer school day of 8.00am-4.00pm, whole school family dining, a core 3 hour weekly music curriculum, a core enrichment afternoon and a 33 hour taught week.

Together with King's Leadership Academy Bolton, our two new King's academies approved under Wave 14 will be headed up by exceptional school leaders: our focus on growing and attracting high-quality academy leadership has been, and will continue to be, the very foundation of our success, in turn attracting and retaining high-quality teachers and support staff.

Central Services: Growth, and growth at a greater distance than hitherto, will bring both greater complexity and the potential for economies of scale. In response, we continue to build the efficiency and efficacy of our central services to free up school leaders to do what they do best: to lead learning in their academies and to drive up outcomes for their students. In the last 12 months we have added capacity into the central team through the appointment of a Chief Operations and Strategy Officer; a Director for Capital Buildings, Estates and Facilities; a Director for Marketing and Communications; doubled our capacity in both our Insight and Personal Development teams, and we have secured funding for AY2021/22 to establish a People faculty within the central team headed by a Director of People; a School Improvement arm to the trust, headed by a Director of Education, Director of Quality Systems and Head of ITT.

Academic Outcomes

In terms of nationally accredited educational performance, at GCSE, all our academies reported better results than last year through Teacher Assessed Grades or TAGs, in line with the national pattern. This is to be expected, as all a teacher can do is report the grade a student is demonstrated 'potential' for: no one can predict how students would have 'performed' on the day of their examination in a subject.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

	KLA Liverpool		KLA Hawthornes		KLA Warrington		Great schools Trust Average		National
	2019	2021	2019	2021	2019	2021	2019	2021	2019
Cohort size	84	91	52	66	108	121	244	278	542,621
Attainment 8	32.8	34.61	32.2	32.96	57.9	61.4	43.6	45.9	46.7
Eng & Ma 9-4%	38.00%	45.10%	33.00%	47.80%	89.00%	91.70%	58.50%	66.02%	64.90%
Eng & Ma 9-5%	11.00%	24.20%	15.00%	20.30%	71.00%	78.50%	38.70%	46.91%	43.00%
EBacc Entry %	35.00%	53.80%	40.00%	65.20%	87.00%	90.90%	59.00%	72.65%	39.00%
EBacc APS	2.8	3.13	2.93	3.14	5.46	5.86	4.01	4.32	4.07

The Progress 8 scores are based on the 2019 formula and would not be as high had they been recalculated nationally; nevertheless, they do offer a like-for-like comparison with 2019. Key to our mission, not only did disadvantaged students do well, as a trust our entry rate for the English Baccalaureate (EBacc) suite of subjects was almost double the national average (73% at GST versus 39% national). This for us demonstrates a broad and balanced curriculum from years 7-11 with no gaming in the open group suite of subjects.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

The board has fully considered the impact of the Coronavirus pandemic on the organisation in the light of the profound impact the pandemic has had on many commercial and charitable organisations. The going concern status of the organisation has been assessed in the light of the following matters:

- There is a sustainable three-year plan in place and the 21/22 budget has factored in substantial costs in order to cover our operations throughout the pandemic should they be needed; and
- The company has sufficient reserves and cash balances. These have been tested over a 2-year scenario where discretionary income sources collapse, student numbers reduce, and pandemic costs continue.

For these reasons, trustees have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The Trust's ongoing income is predominantly from the ESFA in the form of recurrent grants. The use of these grants is restricted to the provision of education. In the year, total income increased to £16.53m, up £3.97m from 2019/20. The increase is primarily driven by the addition of King's Leadership Academy Bolton, and increase in funded pupils and higher levels of capital grants received which are funding extensive capital projects.

During the year ended 31 August 2021, total expenditure excluding depreciation and LGPS actuarial adjustments of £14.30m was covered by recurrent grant funding together with other incoming resources. The excess of total income over total expenditure for the year was £1.02m (2020: deficit £0.56m). The Trust generated £0.6m in cash from its operating activities (2020: £0.35m) and held a total of £3.1m in cash at 31 August 2021. In future years operating cash is expected to remain positive as the Trust benefits from increasing pupil numbers and a continued focus on cost. The in-year surplus, including the £0.29m of restricted revenue reserves spent on capital projects (2020: £0.09m), was £0.85m (2020:£0.43m). This £0.85m represents the increase on restricted and unrestricted reserves excluding pension and fixed asset reserves.

Covid-19 drove additional revenue and capital costs during the period. These costs were primarily associated with making schools covid secure and purchasing additional IT equipment and software for students and staff. In 2020/21 these costs were more than offset by operational savings driven by the national restrictions on pupils attending school in the spring and summer.

The Trust is also continuing on its extensive capital investment programme with the aim of maintaining and improving the quality of its estate for future students, particularly where this is necessary to address issues at academies that have transferred to GST in a condition that is not fit for purpose. At 31 August 2021, the net book value of tangible fixed assets was £19.17m, up £0.73m from 2020. This movement comprises £0.66m of net depreciation and £1.39m in net additions. The latter is primarily driven by expenditure on the following projects:

- CIF works at KLA Hawthornes to sum of £1.12m
- The Trust has also continued its rolling programme of renewing 1-2-1 student devices, computer labs, phone systems, networks and servers.

The deficits in the Local Government Pension Schemes (LGPS) are recognised on the Balance Sheet in accordance with the provisions of FRS102. It is noted that the pension liability increased from £4.07m to £5.28m.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The Trustees review the reserve levels of the 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 reviewed the financial statements of the Trust. The review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. Reserves are held as follows:

- To cover working capital requirements.
- As a contingency to meet unforeseen expenditure (forming part of restricted and unrestricted general funds) e.g. an unexpected large repair bill.
- To fund planned and specific future capital expenditure (forming part of the restricted fixed asset fund).
- To cover a fall or rise in sources of income e.g. non-renewal of a grant.
- To cover planned commitments, or designations, that cannot be met by future income alone, e.g. plans for a major asset purchase or a significant project that requires the charity to provide 'matched funding'.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before funding is raised or received.

The Trustees have determined that the appropriate level of reserves, excluding restricted fixed asset funding, should be equivalent to at least 5% of total turnover. 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. The Trustees have taken the decision to centralise all reserves in respect of the Trust and carry forward a prudent level of resources designed to meet the long-term cyclical needs of facilities and equipment renewal and any other unforeseen contingencies.

Individual academies are expected to produce at least breakeven budgets each year, but the Trust also recognises that this is not feasible in some cases where academies have low pupil numbers, lower funding levels or have recently joined the Trust having been in difficult circumstances and require additional resources. In these cases, the Trust supports those academies in deficit and works with them to return the academy to a surplus position.

Reserves of the Trust are pooled for the benefit of the Trust as a whole and the consolidated Trust budget is set to at least break even. The Trust's level of free reserves (total funds less the amount held in fixed assets and general restricted funds), as at 31 August 2021, were £1.36 million (2020 £0.57 million).

Sinking Funds: We have now developed a comprehensive record of school condition that outlines the capital needs in our estate over the next 5 years. In order to address this "condition" need, we set aside part of our reserve for future capital needs in the form of a Sinking Fund. Condition Improvement Fund will continue to be applied for to address our major building condition needs until we surpass the eligibility threshold and the trust begins to receive the School Condition Allocation grants.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

ICT Refresh: The ICT provision, particularly in the form of a personal device (chrome book or iPad) for every student in our academies, is a key part of our EdTech strategy and students' learning. Each year funds are set aside to maintain the estate based on a detailed analysis of the age and condition of each academy's IT equipment and infrastructure. During the year ending August 2021 £336k was spent on maintaining ICT provision. In-year allocations are automatically built into future budgets to ensure our ICT estate is maintained.

Investment policy

The general policy objective is to invest the surplus funds prudently and not expose the Trust to an inappropriate level of risk. The investment priorities are:

- Security of the invested capital;
- Liquidity of the invested capital; and, commensurate with security and liquidity
- An optimal return on those investments.

This prohibits the Trust taking on capital risk i.e. investing in equities, but does allow the Trust to make fixed term deposits with banks.

The Trust at present does not hold any long-term investments. Cash surpluses may be placed upon overnight or fixed term deposit with the Trust's bankers.

Key performance indicators

The Trustees use certain high-level key performance indicators to monitor the overall financial position of the trust. These key performance indicators for the past three years have been as follows:

- Staff costs remain within the target range, and
- Net current assets remain at an appropriate level.
- In line with our reserves policy, our target funds/funding ratio is 3-5% and this may fluctuate within these limits as we balance the need for financial sustainability with investing in school improvement and optimising outcomes for our pupils.
- The Increase in staff costs year on year is partly attributable to continued growth of student numbers in all of our academies, with circa 30% internal growth still remaining.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The Trustees regularly assess the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. They are working to mitigate and eliminate these risks. In order to do this the risk management process involves the production of risk registers and risk management activities are built into the planning process. Members of the Executive team are expected to manage risks within their own discipline and ensure the policy framework is up to date to support this. The internal audit process is designed to test these mitigating strategies.

In 2021/22 the Trust will revise its approach to risk management to make a stronger and more dynamic link between strategic and operational risks, especially risks specific to a particular academy. To supplement this, the trust will form a Risk and Audit committee which will be separate to the finance committee, whilst each academy within the Trust will actively maintain a risk register that will be routinely reviewed and updated by the Local Academy Council as new guidance and, or, operational requirements become relevant.

Trustees have identified the risk appetite for each strategic risk which is then reflected in the risk management strategy of the operational risks that they comprise of. The strategic risks are identified as:

Safeguarding: The safety of students and staff is of paramount importance to the Trust. The Trust has in place robust safeguarding and child protection policies and procedures to support academies in ensuring that students are safe and feel supported, and everyone working in the Trust is trained and know when and how to raise any concerns that they may have about safeguarding. Implementation and effectiveness of these policies, which conform to DfE guidance, are monitored regularly. The Trust has in each of its academies a Designated Safeguarding Lead (DSL) who ensures consistent best practice in safeguarding and child protection.

Coronavirus (COVID-19) impact: Managing risks arising from the pandemic has been the principal focus of our risk management work since March 2020 and remains our top priority as we operated in the 2020/21 academic year. A comprehensive risk register and a clear hierarchy of controls approved by our Board were in place and formed the guidelines for day to day decisions arising from the pandemic. Decisions regarding sending students at home where local cases are identified are made in consultation with Local Public Health Authorities and the DfE C-19 line. Student safety and staff well-being have been firmly identified as a risk and this will continue into 2020/21.

Ethos: The Trustees believe that a key strength of GST is its ethos and values. We have seen evidence to support this during 2020/21 with great achievements being made during very challenging times. Through effective training and communication our aim is to keep this at the centre of our people focused strategy and work around culture and behaviours is kept in the forefront of all we do.

People: The Trust's success is very much dependent on recruiting, developing and retaining the very best people in every position in its academies and central services. The Trust has prepared and will implement in 2021/22 a new people strategy to address the identified risks with a varied programme of first class regular training and wide range of opportunities for greater career development.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Governance: The strength of our Local Academy Councils in providing support and challenge in school improvement and other initiatives remains of critical importance and we wish to continue to recruit, train and retain strong governors who are able to best represent the needs of our communities and provide effective challenge across all elements of school governance.

Finance and operations: Changes in the basis of funding for academies reduces funding or creates financial challenges. The Trust has relatively high cash reserves that could be drawn upon to mitigate the risk in the short term. In the long term, the Trust has in place strong financial planning and a budget maximisation strategy to ensure that educational needs are met. The Trust has improved local reputation and student recruitment in line with other local schools that could attract students.

Education: There is a risk of exam results falling below expectation within an academy or more generally a failure to secure good or outstanding from Ofsted. This could cause the loss of stakeholder confidence in the quality of education provided. The Trust has in place experienced and qualified SLT, middle management and support staff driving high standards in all its academies and continuous improvement and new systems being embedded in its programme.

As part of its risk management strategy the Trust currently uses the 'Risk Protection Arrangements' (RPA) which is specifically designed for academies as an alternative to commercial insurance to transfer some risks. Under RPA, the UK Government covers the losses instead of commercial insurance. This has been of particular benefit during the Covid-19 pandemic where the RPA has covered a wide range of risks with more generous terms than typically found with commercial insurers.

In particular with respect to school trips that were booked for 2020/21 this has meant the Trust has been able to cancel trips and reimburse parents and carers relatively quickly. The Trust has an effective system of internal financial controls and this is explained in more detail on pages 37 & 38.

Fundraising

The Trust only participates in low level fundraising. The purpose of this is not to fund the Trust's core provision of education but support related activities and charities. This fundraising does not involve any professional fundraisers and is only based on voluntary donations from the Trust's stakeholders. As the Trust only participates in low levels of fundraising, Covid-19 in 2020/21 has had little impact on this.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

As a Trust, we shall continue to do all we can to serve areas of significant social and educational disadvantage effectively, transforming life chances and improving social mobility. Over the next five years, our Trust plans to double in size. We already have secured two further 11-16 free schools under Wave 14 of the Free Schools Programme, which will create two hub side of our Warrington HQ, four academies in a Liverpool/Sefton Hub and three academies in a Warrington/Bolton hub. We anticipate pre-opening to commence 2022-23 for both schools. At full capacity GST's seven academies will grow the trust's student cohort to over 5000 students and 600 staff.

School improvement is becoming strong across our Trust and there will be significant investment in this area from AY 2021/22. We continue to benefit from our work on curriculum standardisation and early anticipation of changes to national frameworks and standards.

Our priorities now are to refocus the whole Trust on developing our most valuable resource which is the talent management and progression of our people; a TCaF bid to establish a HR/People function was approved in May 2021 to make this a reality from September 2021. The trust also wishes to expand the role of GST's Institute of Character & Leadership (IOCL), not only providing Initial Teacher Training through GST Schools Direct which started September 2021 with its first cohort of 12 trainees, but also delivering teaching and leadership development, through the full suite of reformed National Professional Qualifications, and also through a unique partnership arrangement with a major HEI/ITE provider in the north west, a Research School, supporting school improvement within and beyond the trust; build a more capacity within our IT team given that every student across our academies is allocated a personal digital device (Chromebook or iPad) to benefit from all the advantages of EdTech in the classroom and at home (especially to protect against the threat of any future lockdowns);

GST will seek to grow as a Multi-Academy Trust and continue to work with communities across the region within three geographical clusters (Liverpool/Sefton, Bolton/Greater Manchester, Warrington/Cheshire) to open further Free Schools and manage sponsor-led academies. Within these schools the Trust will work to ensure the high performance of its students and that the schools meet the needs of those communities. In delivering these plans GST is expected to open in September 2023 one its new Wave 14 Leadership Academies dependent upon the agreement of sites with the ESFA. The Trust has been approved to manage sponsor-led academy schools and is pursuing early-stage potential sponsorships.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

The trust is committed to reducing its carbon footprint and reducing its impact on the environment. A team, led by the Director of Capital Buildings, Estates and Facilities has been formally established to identify and drive improvements across all areas of our operation. The data on page 17 on the accounts, presents the Greenhouse Gas and Energy use data for the trust.

Qualification and reporting methodology

- We have followed the 2019 HM Government Environmental Reporting Guidelines.
- We have also used 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 student, the recommended ratio for the sector.
- Measurement taken to improve energy efficiency
- We have installed energy efficient lights and smart metering and monitoring systems across many of our sites and increased video conferencing technology through Teams for staff and LGB meetings in order to reduce the need for travel between sites. We have put plans in place to invest in energy efficient technology to reduce carbon emissions.

Pension reserve

The presence of a pension surplus or deficit does not constitute an immediate realisable asset or liability and does not mean the equivalent amount is already committed or no longer available.

The presence of a pension surplus or deficit will generally result in a cash flow effect for the Trust in the form of a decrease or increase in the employer's pension contributions over a period of years. The Trust is confident that it can meet the required pension contributions from projected future income without a significant impact on its planned level of activity.

The risk surrounding the Trust's pension liability has been taken into consideration when preparing the annual budgets and, therefore, the Trust's reserves requirement will continue to be calculated without setting aside a designated reserve to cover the pension liability.

Funds held as custodian trustee on behalf of others

The Trust received 16-19 bursary payments from the Education Funding Agency during 2020/21. The Trust does not recognise this income as its own income and pays out all monies received for its primary purpose to the relevant parties. Other than this agency arrangement, the Trust does not act as a custodian trustee on behalf of others.

THE GREAT SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far as the trustees are aware:

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

The auditors, WR Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 02 December 2021 and signed on its behalf by:



J W Spencer
Chair of Trustees

THE GREAT SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

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

The Trust Board 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 Schools Trust Ltd and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

THE GREAT SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Governors' Responsibilities. The Trust Board has formally met six times during the year. The Finance Committee, which meets at least four times per year, is a sub-committee of the main Trust Board. Its purpose is to assist the Trust Board in fulfilling its oversight responsibilities with regard to the financial management of the Trust. It does this through the review of financial projections, management accounts and balance sheet reconciliations and to make recommendations to the Trust Board. In addition, it reviews the financial statements and accounting policies, receives and reviews the internal and external auditors report and ensures that recommendations are actioned and risk managed.

Attendance during the year at meetings of the Trust Board and Finance Committee was as follows:

Trustees	Meetings attended	Out of possible
Mr A Harper (Resigned 24 May 2021)	0	5
J W Spencer (Chair of Trustees)	6	6
K J McGing	6	6
R Crowe	6	6
M Ireland	5	6
Mr M Puller (Resigned 16 July 2021)	4	6
Mr M Aldred	6	6
Ms J Hornby	5	6
Mr N Mickle	6	6
Mr G Lee	6	6
Ms J Stiller	3	6
Mr A Leah (Resigned 5 July 2021)	5	6
Wg Cdr E L Sharrad-Williams (Appointed 5 July 2021)	0	0
Mr J W Rigby (Appointed 7 September 2021)	0	0

There were no significant changes to the composition of the Board during the year. There were three resignations and one new appointment to the Board during the year. Wg Cmdr Sharrad Williams was appointed on the 5th July 2021. J W Rigby has been appointed in September 2021.

The Board has hitherto conducted a self-evaluation every two years and this will move to annually from the current financial period. This includes reviewing the skill set of Board members, effectiveness of meetings and identifies any training needs.

Review of value for money

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

THE GREAT SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

1. The economic, efficient and effective use of all resources to produce better educational results.
2. The avoidance of waste and extravagance.
3. The prudent and economical administration of the organisation.
4. The establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting.
5. Ensuring all financial transactions represent value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Great Schools Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

THE GREAT SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Michell Charlesworth have been appointed to conduct internal audit visits at all of our schools and centrally within the Trust. The reports of these visits are received by the Trust Board and Local Governing Bodies as appropriate. The internal auditor reports comment on the operation of the systems of control and on the discharge of the financial responsibilities of each school's appropriate staff and Governing Bodies.

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

- Testing of payroll systems
- Testing purchases are correctly authorised and represent an appropriate use of school funds
- Testing of employee expenses, credit card expenditure and petty cash
- Review of the analysis of receipts against funding documentation
- Investigation of the nature and analysis of miscellaneous income
- Review of bank reconciliations
- Testing of bank payments for correct authorisation
- Review of capital items purchased in excess of £10,000 to ensure 3 quotes were obtained where appropriate
- Confirmation that ESFA submissions are being made on a timely basis

The internal auditor undertakes regular system tests under the direction of the audit committee as set out in the ESFA financial handbook. The audit committee meets regularly and receives detailed reports from the internal auditor. The finance committee meets once a month and receives detailed reports from the Chief Executive, the Chief Finance Officer and the Chief Operating Officer. In this way, trustees have full knowledge of how spend and income is matching the budget profile. Monthly reconciliations of accounts with the bank are reported.

[Academy trusts should confirm whether the internal auditor/reviewer has delivered their schedule of work as planned, provide details of any material control issues arising as a result of the internal auditor's/ reviewer's work and, if relevant, describe what remedial action is being taken to rectify the issues]

Review of effectiveness

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

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

THE GREAT SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

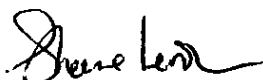
FOR THE YEAR ENDED 31 AUGUST 2021

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

Approved by order of the board of trustees on 02 December 2021 and signed on its behalf by:



J W Spencer
Chair of Trustees



Mr S Ierston
Accounting Officer

THE GREAT SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of The Great Schools 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.



Mr S Ierston
Accounting Officer

02 December 2021

THE GREAT SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of The Great Schools Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 02 December 2021 and signed on its behalf by:



J W Spencer
Chair of Trustees

THE GREAT SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREAT SCHOOLS TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of The Great Schools Trust 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 accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- 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 Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 academy trust'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.

THE GREAT SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

THE GREAT SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the company is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

A further description of our responsibilities for the audit of the accounts 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.

THE GREAT SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

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.



Fran Johnson BSc BFP FCA (Senior Statutory Auditor)

for and on behalf of WR Partners

Chartered Accountants

Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

20.12.12

THE GREAT SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GREAT SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 8 February 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Great Schools Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Great Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Great Schools Trust's funding agreement with the Secretary of State for Education dated 1 March 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

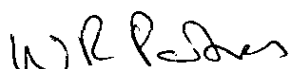
THE GREAT SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GREAT SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

WR Partners
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Dated: 20.12.21

THE GREAT SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	13,079	-	1,104,358	1,117,437
Charitable activities:					
- Funding for educational operations	4	-	14,633,152	-	14,633,152
Other trading activities	5	778,683	5,350	-	784,033
Total		791,762	14,638,502	1,104,358	16,534,622
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	14,849,180	661,350	15,510,530
Total	6	-	14,849,180	661,350	15,510,530
Net income/(expenditure)		791,762	(210,678)	443,008	1,024,092
Transfers between funds	17	-	(285,809)	285,809	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(664,000)	-	(664,000)
Net movement in funds		791,762	(1,160,487)	728,817	360,092
Reconciliation of funds					
Total funds brought forward		570,712	(3,927,072)	18,459,157	15,102,797
Total funds carried forward		1,362,474	(5,087,559)	19,187,974	15,462,889

THE GREAT SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £	£	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	9,599	-	188,916	198,515
Charitable activities:					
- Funding for educational operations	4	-	12,025,234	-	12,025,234
Other trading activities	5	287,407	53,063	-	340,470
Total		297,006	12,078,297	188,916	12,564,219
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	12,368,352	745,751	13,114,103
Total	6	-	12,368,352	745,751	13,114,103
Net income/(expenditure)		297,006	(290,055)	(556,835)	(549,884)
Transfers between funds	17	-	(86,689)	86,689	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(326,000)	-	(326,000)
Net movement in funds		297,006	(702,744)	(470,146)	(875,884)
Reconciliation of funds					
Total funds brought forward		273,706	(3,224,328)	18,929,303	15,978,681
Total funds carried forward		570,712	(3,927,072)	18,459,157	15,102,797

THE GREAT SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		19,167,302		18,441,614
Current assets					
Stocks	13	95,623		93,929	
Debtors	14	756,272		882,946	
Cash at bank and in hand		3,114,060		2,801,678	
		3,965,955		3,778,553	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,386,368)		(3,050,370)	
Net current assets			1,579,587		728,183
Net assets excluding pension liability			20,746,889		19,169,797
Defined benefit pension scheme liability	19		(5,284,000)		(4,067,000)
Total net assets			15,462,889		15,102,797
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			19,187,974		18,459,157
- Restricted Income funds			196,441		139,928
- Pension reserve			(5,284,000)		(4,067,000)
Total restricted funds			14,100,415		14,532,085
Unrestricted income funds	17		1,362,474		570,712
Total funds			15,462,889		15,102,797

THE GREAT SCHOOLS TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The accounts on pages 47 to 75 were approved by the trustees and authorised for issue on 02 December 2021 and are signed on their behalf by:



J W Spencer
Chair of Trustees

Company Number 07641004

THE GREAT SCHOOLS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		595,062		350,512
Cash flows from investing activities					
Capital grants from DfE Group		1,104,358		170,706	
Capital funding received from sponsors and others		-		18,210	
Purchase of tangible fixed assets		(1,387,038)		(291,285)	
Net cash used in investing activities			(282,680)		(102,369)
Net increase in cash and cash equivalents in the reporting period			312,382		248,143
Cash and cash equivalents at beginning of the year			2,801,678		2,553,535
Cash and cash equivalents at end of the year			3,114,060		2,801,678

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	2% on cost
Improvements to property	2% on cost
Computer equipment	33% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	20% on cost

Land is not depreciated.

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

1.6 Liabilities

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

1.7 Leased assets

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

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 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.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

1.12 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.

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.

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

(Continued)

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	1,104,358	1,104,358	188,916
Other donations	13,079	-	13,079	9,599
	<u>13,079</u>	<u>1,104,358</u>	<u>1,117,437</u>	<u>198,515</u>

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	12,430,193	12,430,193	10,216,368
Other DfE / ESFA grants:				
Pupil premium	-	757,873	757,873	601,298
Start up grants	-	-	-	215,000
Others	-	884,597	884,597	643,674
	-	14,072,663	14,072,663	11,676,340
Other government grants				
Local authority grants	-	156,121	156,121	218,419
Exceptional government funding				
COVID-19 catch up funding	-	169,874	169,874	-
COVID-19 mass testing funding	-	129,910	129,910	-
	-	299,784	299,784	-
Other incoming resources	-	104,584	104,584	130,475
Total funding	-	14,633,152	14,633,152	12,025,234

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	14,350	-	14,350	28,748
Staff consultancy	34,000	-	34,000	68,995
Parental contributions	-	5,350	5,350	53,063
Other income	730,333	-	730,333	189,664
	778,683	5,350	784,033	340,470

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2021	2020
	£	£	£	£	£
Academy's educational operations					
- Direct costs	9,345,561	284,380	879,946	10,509,887	8,736,090
- Allocated support costs	2,080,988	940,570	1,979,085	5,000,643	4,378,013
	<u>11,426,549</u>	<u>1,224,950</u>	<u>2,859,031</u>	<u>15,510,530</u>	<u>13,114,103</u>

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	11,100	10,800
- Other services	8,514	4,895
Operating lease rentals	837,894	739,259
Depreciation of tangible fixed assets	661,350	745,751
Net interest on defined benefit pension liability	70,000	60,000
	<u>1,599,658</u>	<u>1,605,705</u>

7 Central services

During the year the academy trust provided educational, financial, legal and human resource support services to its academies.

The academy trust charged for these services on a flat 4.5% of income basis.

The amounts charged during the year were as follows:

	2021	2020
	£	£
King's Leadership Academy Warrington	232,834	148,749
King's Leadership Academy Liverpool	295,255	158,802
King's Leadership Academy Hawthornes	203,394	93,959
The Aspire Centre	13,500	9,000
King's Leadership Academy Bolton	148,547	66,648
	<u>893,530</u>	<u>477,158</u>

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	2021	2020
	£	£
All from restricted funds:		
Direct costs		
Educational operations	10,509,887	8,736,090
Support costs		
Educational operations	5,000,643	4,378,013
	<u>15,510,530</u>	<u>13,114,103</u>

	2021	2020
	£	£
Analysis of support costs		
Support staff costs	2,125,410	1,762,903
Depreciation	376,970	425,076
Technology costs	195,051	182,251
Premises costs	563,600	462,586
Other support costs	1,701,963	1,521,056
Governance costs	37,649	24,141
	<u>5,000,643</u>	<u>4,378,013</u>

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	8,314,197	6,835,547
Social security costs	806,145	666,684
Pension costs	2,154,223	1,831,116
Staff costs - employees	11,274,565	9,333,347
Agency staff costs	122,472	147,488
Staff restructuring costs	29,512	29,367
	11,426,549	9,510,202
Staff development and other staff costs	72,002	97,160
Total staff expenditure	11,498,551	9,607,362
Staff restructuring costs comprise:		
Redundancy payments	29,512	-
Severance payments	-	29,367
	29,512	29,367

Staff numbers

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

	2021 Number	2020 Number
Teachers	130	105
Administration and support	111	107
Management	29	23
	270	235

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 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	4	5
£70,001 - £80,000	4	3
£80,001 - £90,000	-	1
£90,001 - £100,000	3	2
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £275,410 (2020: £268,760).

10 Trustees' remuneration and expenses

During the year none of the trustees received any remuneration or expenses.

11 Trustees' and officers' Insurance

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

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Land and buildings	Improvements to property	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2020	19,639,895	415,958	1,470,140	1,026,550	29,304	22,581,847
Additions	-	1,139,446	169,285	78,307	-	1,387,038
At 31 August 2021	19,639,895	1,555,404	1,639,425	1,104,857	29,304	23,968,885
Depreciation						
At 1 September 2020	1,960,609	30,352	1,232,570	896,398	20,304	4,140,233
Charge for the year	393,972	9,848	178,098	76,432	3,000	661,350
At 31 August 2021	2,354,581	40,200	1,410,668	972,830	23,304	4,801,583
Net book value						
At 31 August 2021	17,285,314	1,515,204	228,757	132,027	6,000	19,167,302
At 31 August 2020	17,679,286	385,606	237,570	130,152	9,000	18,441,614

13 Stocks

	2021 £	2020 £
School uniform	95,623	93,929

14 Debtors

	2021 £	2020 £
Trade debtors	37,648	4,038
Other debtors	102,915	366,541
Prepayments and accrued income	615,709	512,367
	756,272	882,946

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	977,040	2,133,268
Other taxation and social security	205,812	171,952
Other creditors	187,532	159,519
Accruals and deferred income	1,015,984	585,631
	<u>2,386,368</u>	<u>3,050,370</u>

16 Deferred income

	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	<u>368,415</u>	<u>99,320</u>
Deferred income at 1 September 2020	99,320	41,605
Released from previous years	(99,320)	(41,605)
Resources deferred in the year	<u>368,415</u>	<u>99,320</u>
Deferred income at 31 August 2021	<u>368,415</u>	<u>99,320</u>

The main elements of deferred income are in relation to the rates relief received from the ESFA, apprenticeship funding received from the ESFA, high needs income received in advance from Sefton MBC and CIF funding received related to the fire alarms at Hawthorne's.

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	139,928	12,430,193	(12,087,871)	(285,809)	196,441
UIFSM	-	-	(97,200)	-	(97,200)
Pupil premium	-	757,873	(757,873)	-	-
Other DfE / ESFA grants	-	884,597	(787,397)	-	97,200
Other government grants	-	455,905	(455,905)	-	-
Other restricted funds	-	109,934	(109,934)	-	-
Pension reserve	(4,067,000)	-	(553,000)	(664,000)	(5,284,000)
	<u>(3,927,072)</u>	<u>14,638,502</u>	<u>(14,849,180)</u>	<u>(949,809)</u>	<u>(5,087,559)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>18,459,157</u>	<u>1,104,358</u>	<u>(661,350)</u>	<u>285,809</u>	<u>19,187,974</u>
Total restricted funds	<u>14,532,085</u>	<u>15,742,860</u>	<u>(15,510,530)</u>	<u>(664,000)</u>	<u>14,100,415</u>
Unrestricted funds					
General funds	<u>570,712</u>	<u>791,762</u>	<u>-</u>	<u>-</u>	<u>1,362,474</u>
Total funds	<u>15,102,797</u>	<u>16,534,622</u>	<u>(15,510,530)</u>	<u>(664,000)</u>	<u>15,462,889</u>

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

General Annual Grant (GAG)

GAG is the main source of funding from the ESFA. The funding received, which is based on the pupil numbers, is applied to fund the core educational activities of the Trust.

Start up Grant

The start up grant received from the ESFA is being used to fund the set up costs of King's Leadership Academy Bolton, which opened on 1 September 2019.

Other DfE / ESFA

The main source of funding included is pupil premium which is applied to meet the educational needs of disadvantaged pupils. The funding also includes PE sports grants, rates relief and grants for high needs pupils.

Pension reserve

The pension reserve represents the deficit in funding required to meet the future pensions of employees in the Cheshire & Merseyside local government pension schemes.

DfE group capital grants

Capital grants are awarded by the ESFA to fund maintenance projects and refresh ICT provision within the Trust.

Gains & losses

Gains & losses represent the effect of changes in actuarial assumptions on the projected future pension liability.

Transfers between funds

Transfers from general funds were made to finance capital additions in excess of the capital grants received from the ESFA.

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	10,216,368	(9,989,751)	(86,689)	139,928
Start up grants	8,672	215,000	(223,672)	-	-
Pupil premium	-	601,298	(601,298)	-	-
Other DfE / ESFA grants	-	643,674	(643,674)	-	-
Other government grants	-	218,419	(218,419)	-	-
Other restricted funds	-	183,538	(183,538)	-	-
Pension reserve	(3,233,000)	-	(508,000)	(326,000)	(4,067,000)
	<u>(3,224,328)</u>	<u>12,078,297</u>	<u>(12,368,352)</u>	<u>(412,689)</u>	<u>(3,927,072)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>18,929,303</u>	<u>188,916</u>	<u>(745,751)</u>	<u>86,689</u>	<u>18,459,157</u>
Total restricted funds	<u>15,704,975</u>	<u>12,267,213</u>	<u>(13,114,103)</u>	<u>(326,000)</u>	<u>14,532,085</u>
Unrestricted funds					
General funds	<u>273,706</u>	<u>297,006</u>	<u>-</u>	<u>-</u>	<u>570,712</u>
Total funds	<u>15,978,681</u>	<u>12,564,219</u>	<u>(13,114,103)</u>	<u>(326,000)</u>	<u>15,102,797</u>

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
King's Leadership Academy Warrington	243,099	32,522
King's Leadership Academy Liverpool	293,392	370,722
King's Leadership Academy Hawthornes	(202,296)	(189,710)
The Aspire Centre	156,486	111,406
King's Leadership Academy Bolton	878,635	235,713
Central services	189,599	149,987
Total before fixed assets fund and pension reserve	1,558,915	710,640
Restricted fixed asset fund	19,187,974	18,459,157
Pension reserve	(5,284,000)	(4,067,000)
Total funds	15,462,889	15,102,797

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
King's Leadership Academy Warrington	2,693,167	673,764	182,397	474,716	4,024,044	3,930,147
King's Leadership Academy Liverpool	2,383,217	684,431	252,925	1,129,490	4,450,063	3,936,814
King's Leadership Academy Hawthornes	1,939,408	578,762	195,502	452,166	3,165,838	2,438,406
The Aspire Centre	151,744	81,154	9,400	43,496	285,794	260,102
King's Leadership Academy Bolton	1,222,931	272,411	145,120	278,843	1,919,305	1,147,565
Central services	258,987	553,575	514	116,060	813,076	508,087
	8,649,454	2,844,097	785,858	2,494,771	14,658,120	12,221,121

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	19,167,302	19,167,302
Current assets	1,362,474	2,582,809	20,672	3,965,955
Creditors falling due within one year	-	(2,386,368)	-	(2,386,368)
Defined benefit pension liability	-	(5,284,000)	-	(5,284,000)
Total net assets	1,362,474	(5,087,559)	19,187,974	15,462,889

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	18,441,614	18,441,614
Current assets	570,712	3,190,298	17,543	3,778,553
Creditors falling due within one year	-	(3,050,370)	-	(3,050,370)
Defined benefit pension liability	-	(4,067,000)	-	(4,067,000)
Total net assets	570,712	(3,927,072)	18,459,157	15,102,797

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the relevant local authority. 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 2012, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £155,141 (2020: £111,823) were payable to the schemes at 31 August 2021 and are included within creditors.

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation based on April 2016 data has resulted in an increase of the employer contribution rate from 16.48% to 23.68% payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,225,492 (2020: £1,022,632).

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

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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

Local Government Pension Scheme

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

Total contributions made	2021 £	2020 £
Employer's contributions	446,000	363,000
Employees' contributions	125,000	111,000
	<u> </u>	<u> </u>
Total contributions	571,000	474,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.6	3.4
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.8	2.3
Commutation of pensions to lump sums	50.0	50.0
	<u> </u>	<u> </u>

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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	21.0	20.9
- Females	23.9	23.7
Retiring in 20 years		
- Males	22.4	22.2
- Females	25.8	25.5

Scheme liabilities would have been affected by changes in assumptions as follows:

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

	2021 Fair value £	2020 Fair value £
Equities	2,889,000	2,140,000
Gifts	901,000	600,000
Corporate bonds	1,316,000	1,113,000
Cash & other liquid assets	114,000	222,000
Property	555,000	419,000
Total market value of assets	5,775,000	4,494,000

The actual return on scheme assets was £795,000 (2020: £409,000).

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	924,000	798,000
Past service cost	-	8,000
Interest income	(82,000)	(69,000)
Interest cost	152,000	129,000
Administration expenses	5,000	5,000
Total operating charge	999,000	871,000

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	8,561,000	6,887,000
Current service cost	924,000	798,000
Interest cost	152,000	129,000
Employee contributions	125,000	111,000
Actuarial loss	1,377,000	666,000
Benefits paid	(85,000)	(43,000)
Past service cost	-	8,000
Effect of non-routine settlements and administration expenses	5,000	5,000
At 31 August 2021	11,059,000	8,561,000

Changes in the fair value of the academy trust's share of scheme assets

	2021 £	2020 £
At 1 September 2020	4,494,000	3,654,000
Interest income	82,000	69,000
Actuarial gain	713,000	340,000
Employer contributions	446,000	363,000
Employee contributions	125,000	111,000
Benefits paid	(85,000)	(43,000)
At 31 August 2021	5,775,000	4,494,000

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,024,092	(549,884)
Adjusted for:		
Capital grants from DfE and other capital income	(1,104,358)	(188,916)
Defined benefit pension costs less contributions payable	483,000	448,000
Defined benefit pension scheme finance cost	70,000	60,000
Depreciation of tangible fixed assets	661,350	745,751
(Increase) in stocks	(1,694)	(52,240)
Decrease/(increase) in debtors	126,674	(389,790)
(Decrease)/increase in creditors	(664,002)	277,591
Net cash provided by operating activities	595,062	350,512

21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	2,801,678	312,382	3,114,060

22 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	1,131,090	922,902
Amounts due in two and five years	3,868,806	3,681,187
Amounts due after five years	4,750,408	5,669,704
	9,750,304	10,273,793

THE GREAT SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Long-term commitments, including operating leases (Continued)

Including in the leasing commitments is the PFI unitary charge for the remaining period of the contract.

23 Capital commitments

	2021	2020
	£	£
Expenditure contracted for but not provided in the accounts	528,654	21,000

Capital projects contracted for before the 31st August 2021 were as follows:-

- Hawthorne's - Fire alarm replacement totalling £219,758.
- Hawthorne's - Fire door replacement totalling £308,896.

24 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions have taken place in the financial period.

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.

The Great Schools Trust

Management Report

Year ended 31 August 2021



1 REPORT OF SIGNIFICANT WEAKNESSES IN INTERNAL CONTROL

1.1 Introduction

We set out below the significant matters we became aware of during our audit, which relate to the effectiveness of the company's accounting and financial control systems. We have used the following grading system to indicate the significance of the issues we have raised and the priority that we believe should be given to our recommendations:

Rating	Description
(H)igh	Should be urgently attended to by the directors and management. <i>These are significant issues that may result in a qualification in the audit report in future periods if not satisfactorily addressed.</i>
(M)oderate	Issues requiring the attention of the directors and management. <i>Issues ranked as moderate require close monitoring by the Board and senior management to ensure timely resolution.</i>
(L)ow	Issues requiring management attention and correction. <i>Issues ranked as low are generally routine in nature and should be resolved by general management. The Board and senior management should be aware of these issues to enable monitoring of progress with their resolution. These issues may be reported to management in less detail than more highly rated issues.</i>

1.2 Issues noted

School	Observation/recommendation	Risk	Management response
Trust	<p>Internal scrutiny</p> <p>The programme of work for internal scrutiny should be determine by the Trustees in the finance and audit committee based on a review of the risk register. These discussions should be documented in the meeting minutes.</p> <p>The trustees are required to consider both financial and non-financial risks. Once the identified risks have been determined they should be communicated to the external auditors to carry out the programme of works and report to the trustees on a regular basis throughout the year.</p>	M	<p><i>Audit and Risk Committee formed. They will direct the work of the next internal audit.</i></p>
Trust	<p>Fund accounting</p> <p>The academy's financial statements have several restricted funds requiring separate analysis, for example, capital funding, pupil premium and Covid-19 catchup funding. As auditors, we are required to audit the transactions within these funds and confirm that the carried forward balances on each are correct.</p> <p>The Trust also receives several grants which require auditor certification of the expenditure, for example the Edtech grant.</p> <p>We recommend systems are reviewed with the aim of establishing an audit trail showing the transactions and balances for these funds.</p>	L	<p><i>Cost centres are used to identify different streams of funding.</i></p>
Trust	<p>PAYE/Ni control</p> <p>There were minor differences on the PAYE/Ni control accounts across the trust. The sum of the differences was £3,323.</p> <p>We understand the accounts have been reconciled in full since the year end.</p>	L	<p><i>This was corrected in October 2021.</i></p>

School	Observation/recommendation	Risk	Management response
Aspire	<p data-bbox="308 752 464 779">Petty cash receipts</p> <p data-bbox="308 779 1046 824">1 of the 5 items sampled was not supported by a receipt. The purchase, for £14, related to food supplies for the breakfast club.</p> <p data-bbox="308 846 1018 891">We recommend further checks are carried out as part of the internal scrutiny programme to ensure this is not reoccurring on a regular basis.</p>	L	<i>CFO to carry out regular spot checks.</i>

1.3 Prior Year Points

School	Observation/recommendation	Risk	Management response
Hawthornes	<p>Evidence of obtaining 3 quotes and the process for selecting the supplier for the Room 38 capital project could not be found.</p> <p>It is recommended that responsibility over the record-keeping be given to one person across the whole Trust and it be stored electronically and centrally, this would prevent disparities between schools or issues with locating documents in the absence of the member of staff who was responsible the project.</p>	M	<p>Only one contractor provided quote.</p> <p>Central team will now monitor this and ensure quotes are obtained and stored.</p>
Liverpool	<p>A corrective journal was made to the PFI, as the invoices were not recorded on the system on receipt.</p> <p>Invoices, even if disputed, should be recorded onto the ledger to prevent this. As a consequence of not being recorded promptly, the VAT of £323k was not reclaimed on these invoices immediately, adversely affecting cashflow.</p>	M	<p>Invoices were processed in September and VAT claimed.</p>
Warrington & Hawthornes	<p>There was an instance of £13k of uniform income being received in August but not banked until September being treated as accrued income.</p> <p>The correct treatment for this is to be recorded as an uncleared lodgement in the bank.</p>	L	<p>Accepted that this was an error in recording.</p>
Liverpool & Hawthornes	<p>There are a few minor old and unallocated debts on the sales ledgers at Liverpool and Hawthorne's (£980 and £2,307 respectively.)</p> <p>We recommend a monthly review and tidy up of the ledger, however this process has notably improved from last year.</p>	L	<p>Hawthornes – one invoice outstanding, assured that this will be paid.</p> <p>Liverpool – 2 old invoices, will be credited.</p>