

Company Registration Number: 07665364 (England & Wales)

AVONREACH ACADEMY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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AVONREACH ACADEMY TRUST

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AVONREACH ACADEMY TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

Members

The Worcester Diocesan Academies Trust
Suzanne Clarke (resigned 10 June 2020)
Natalie Breeze (appointed 27 November 2019)
Simon Barry (appointed 17 December 2020)
Michael Hodges (appointed 17 December 2020)
Patricia Steel

Trustees

Andrew Longdon, (Chair) (Diocesan)
Rob Phillips, (Vice Chair)
Penelope Anstey (appointed 16 July 2020)
Rachel Callaghan (appointed 16 July 2020)
Clive Corbett, (Executive Officer and Accounting Officer)
Ian Cumming
Ann Derbyshire (resigned 12 September 2019)
Noel Fowler (appointed 12 September 2019, resigned 9 June 2020)
Julia Hayes (appointed 16 July 2020, resigned 4 September 2020)
Karen Rutter
Mark Slater
Bob Stanton

Company registered number

07665364

Company name

Avonreach Academy Trust

Principal and registered office

Station Road
Persnore
Worcestershire
WR10 2BX

AVONREACH ACADEMY TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Advisers (continued)

Company secretary

Karen Bevan

Chief executive officer

Clive Corbett

Executive Leadership Team

Clive Corbett
Karen Bevan
Sarah Bitcon
Julia Dean
Phil Hanson
Glenn Duggan-Seville

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds
PO Box 1000
BX1 1LT

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Surveyors

Sheppard Building and Project Consultancy
The Old Stables
Hatfield Farm
Hatfield
Worcester
WR5 2PZ

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees of Avonreach Academy Trust present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1st September 2019 to 31st August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2019, 'Accounting and Reporting by Charities', and the Academies Accounts Direction 2019/20 issued by the ESFA.

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of 4 schools in rural Worcestershire:

- Pershore High School
- Inkberrow Primary School
- Norton Juxta Kempsey Primary School
- Orchard Primary School

The aim being to provide the highest standard of education and pastoral care for the community and preparing its students for life in a global society.

The Trust has a roll of 1688 in the school census return dated 2nd October 2020.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Avonreach Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Avonreach Academy Trust. Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative details above.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust.

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Method of Recruitment and Appointment or Election of Trustees

The maximum number of Trustees permitted under the Trust's Articles of Association is 12 at any time. The Diocesan Board of Education is entitled to appoint up to 3 Trustees, providing that the total number of Trustees appointed does not exceed 25% of the total number of Trustees. Trustees may appoint up to 2 Trustees. All other appointments to the Board must be made by the Members.

A search group, comprising of existing Members and Trustees, is formed to oversee the selection and appointment of new Members and Trustees.

Trustees are appointed for a four-year period. Subject to remaining, any Trustee can be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training is tailored specifically to the needs of the individual and the Board. Trustees aim to ensure that the Board maintains the relevant skill set and an annual skills audit is undertaken to determine training needs. Where necessary, training in charity, educational, legal and financial matters is provided. To support the effectiveness of the Board and to promote high standards, the Trust subscribes to the National Governance Association. Trustees, local Governors and Clerks are encouraged to undertake all relevant training on offer.

New Trustees are encouraged to visit all schools within the Trust and meet the Headteacher, staff and pupils.

All Trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role via the secure governance portal.

Organisational Structure

The Board of Trustees comprises those persons appointed under the Articles of Association. The Board meets formally at least six times per year. The Trust has arranged its business in such a way that responsibilities and lines of accountability are clearly identified. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring financial and operational performance and making strategic decisions about the operation and management of the Trust, including making senior staff appointments.

There are four main committees of the Board which meet at least three times per year (in the case of the Finance, Audit and Risk committee, 6 times per year): Steering; Finance, Audit and Risk; Staffing; and Curriculum and Quality. These committees provide the opportunity for detailed discussion and policy development. Decisions reached at committee are reported to the Board and, where necessary, interim decisions are reported to the full Board for ratification. A Pay Panel, comprising of members of the Finance, Audit and Risk and Staffing committees is also convened twice per year to consider pay recommendations following the performance review cycle.

Trustees are responsible for the strategic direction of the Trust and have the ultimate decision-making authority. This is exercised through the strategic planning process, undertaken by the Trust's Steering committee, and through the setting of policy. It is managed through business planning, budget monitoring, performance management, the setting of standards and the implementation of quality management processes. In addition to the approval of the final budget and audited accounts and statutory policies, Trustees have reserved the power to approve the appointment of Headteachers, Chairs of Local Governing Bodies (LGBs), and approve expenditure over prescribed amounts.

LGBs are established in all schools. LGBs have delegated authority for key aspects of the running of the schools although the Trust Board retains formal accountability for their operation and the strategic management and policies of the Trust as a whole. LGBs have three committees: Finance and Risk; Teaching and Learning, and Staffing. As a Diocesan school, Norton Juxta Kempsey Primary School also operates an Ethos and Community committee. LGBs and committees meet at least once per term.

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Termly meetings between the Trust Board and Chairs of LGBs are also in place to promote and ensure effective two way communication.

The LGBs and their committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. Their activities are reported and discussed at the Trust Board on at least a termly basis.

The day to day management of the Trust is the responsibility of the Executive Officer, who is also Accounting Officer. The day to day running of each of the academies is delegated to the individual Headteachers and leadership teams at each school.

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of the Trust's key management personnel are approved by the Trust Board. The Trust's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions document. The Trust adheres to local government pay arrangements for support staff and follows the local government pay scales.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Trust to publish information on facility time arrangements for trade union officials at the Trust. The Trust confirms that there were no employees acting as trade union officials within the meaning of these regulations during the year ended 31st August 2020. Facility time is not provided by the Trust and therefore no employees spent time on facility time and no percentage of the pay bill was spent on facility time.

There is one trade union representative within the trust; all spend on union engagement is refunded.

Relates Parties and Other Connected Charities and Organisations

Owing to the nature of the Trust's operations and its close working relationships with the local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions with such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and procurement procedures. Related party relationships are acknowledged at the Trustees' meetings and through the pecuniary interest forms. Any financial transactions are disclosed in the notes to the accounts.

Pershore High School has a trading company, and this is a wholly owned subsidiary of the Academy Trust. The trading company accounts are consolidated with the Trust's accounts.

Objectives and Activities

Objects and Aims

The aim of the Trust is to provide the highest possible standard of education and pastoral care for the community and to maximise the life chances of pupils with a range of different abilities. It achieves this object principally through the operation of 4 schools in Worcestershire.

Avonreach Academy Trust aims to be the natural choice for parents who aspire to the best educational outcomes for their children from age 2 to 18.

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, Strategies and Activities

The Trust's objectives are set out in its Articles of Association. Its principal objects are:

- advance for the public benefit education in the United Kingdom
- promote for the benefit of the inhabitants of Pershore and the surrounding area the provision of facilities for recreation or other leisure time occupation

To meet these objectives, the Trust aims to:

1. Construct and deliver a broad and balanced, high quality curriculum that gives all learners from the ages of 2 to 18 the knowledge, skills and ambition that they need to succeed in life. Ensure that the highest levels of achievement are secured for all pupils by sustaining high levels of attainment and progress for all across Trust schools. Recruit and develop staff who are highly skilled, motivated, accountable, supportive, compassionate and caring.
2. Ensure that all Trust schools have a culture of safeguarding that facilitates effective arrangements for keeping children safe. Ensure the highest levels of wellbeing and involvement by developing young people with increased confidence, resilience and self-esteem. Also to provide the highest levels of support for all staff. Provide high quality pupil and family support. Construct and deliver a curriculum that is highly effective in preparing pupils in all schools for the future opportunities, responsibilities and experiences of life in a global society. Establish positive and respectful cultures in all Trust schools in which all feel safe, and prepare learners for life as active citizens of the future in modern Britain and the world.
3. Ensure that all leaders, Members and Trustees are clear in their roles and responsibilities, so that they fulfil their statutory duties. All should have a clear vision for providing high-quality and inclusive education through strong, shared values, policies and practice. Create a strong infrastructure within the multi Academy Trust to support a highly collaborative family of schools that are recognised as centres of excellence for teaching and learning, governance and leadership.
4. Ensure that all leaders engage fully with members of the local community. Build strong relationships and close collaboration between Trust and non-Trust schools to share best-practice.
5. Ensure that the Trust has business arrangements that are efficient and effective to enable it to deliver on its commitment to grow, prosper and deliver value for money across all of its operations.
6. Embed risk management principles and practices, enabling a system of control whilst supporting innovation and best practice to identify, analyse, evaluate and control risks to the Trust's objectives.

Specific priorities for the year ahead include:

- Continue the development of the Trust's vision to ensure it meets the needs of all our pupils, with particular focus on attendance, behaviour, Special Educational Needs and Disability (SEND) strategy and the development of the curriculum for the first year 7 cohort at Pershore High School in 2021;
- Support our staff, pupils and their families within the restrictions of the pandemic;
- Return the Trust to surplus by 31st August 2021 in line with financial recovery plan agreed the ESFA.

Public Benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of school welfare and with the interests of improving life in the local community.

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and Performance

Given the impact of COVID-19 it is not necessarily appropriate to judge the performance of schools and their staff on the basis of traditional data. Similarly, objective setting for the performance management cycle of 2020-21 has to be measured against different success criteria. All schools within the Trust stayed open during the 2020 lockdown period in order to provide support to children of Key Workers and those classed as vulnerable. Schools have developed and delivered high quality on-line learning during the lockdown periods and to pupils required to self-isolate once the schools reopened fully in September. Online learning has been further enhanced to support pupils during the current lockdown. School staff have adapted quickly and willingly to the demands imposed upon them during these unprecedented times and parent feedback has been positive.

Avonreach Academy Trust can reflect upon a year of positive outcomes for its pupils as highlighted below. With the support of a School Improvement Partner and the Executive Officer, significant progress has also been made in cross-Trust subject working and the development of a vibrant upper Key Stage 2 curriculum, as well as preparations for how this will ultimately contribute to a Year 7 curriculum in the high school. 2018-19 was the academic year in which the Trust was given permission for its first schools to become primaries (from September 2019) and for Pershore High School to take Year 7 pupils for the first time in September 2021. A great deal of attention has been paid within Trust's primary schools to the personal development and leadership opportunities afforded to Year 5 and 6 pupils.

Curriculum development is well underway. The Intent/Implement/Impact approach in the new Ofsted framework is already being embedded in the primary schools and is helping to focus on developments. The involvement of the School Improvement Partner has been vital to this, providing tools against which to evaluate the curriculum and focus upon knowledge acquisition as well as skills development. Curricular have been revised considering changes to the Ofsted framework and to bring about improvements in pupil vocabulary.

Curriculum documentation includes Curriculum Guidance, Curriculum Intent, Long term Curriculum Planning (including six vertical drivers' common to all Trust primaries), Curriculum Fact Sheets, values and vision, non-negotiables (including marking). Topic Development is spreading across History, Science, Art and Design, D&T, and Computing.

Collaboration between schools in the MAT is going well. Real detail has come together on the Year 5 Curriculum. Year 6 will be at a headline level at the end of this academic year. Future work with School Improvement Advisor is planned for 2020-21.

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Key Performance Indicators

The Trust uses the progress of pupils at Key Stages, GCSE and A level as the main KPIs for the delivery of its primary objective, together with retaining or improving on its Ofsted and internal assessments.

Given the uncertainty over the validity of the data in 2021, the following Key Performance Indicators /targets have been set for future academic years. Monitoring of performance against these targets will be carried out by LGBs at each school and also by the Executive Leadership Team on behalf of the Trust:

- For the achievement of pupils in all year groups to be in line with original targets by the end of the summer term 2021. Baseline data will be used to support this judgement;
- End of year progress will be judged against agreed non-negotiables to assess how far pupils have the fundamental skills and knowledge required to progress to the next year;
- To make clear, on-going diagnoses of pupils' learning needs to inform what adaptations to the curriculum and teaching and learning are required. To also adapt school development plans in the light of such changes;
- To build and maintain successful relationships across the schools, on developing the curriculum and the quality of education and on building leadership capacity across the schools;
- Further develop the use of tracking systems, including the development of Trust-wide common assessment and reporting methods.

Going Concern

Since its inception in 2017, the Trust's work has been dominated by the Change of Age agenda. Permission for its schools to change their age ranges was granted by the Regional Schools Commissioner's Headteacher Board on 15th December 2018 and Inkberrow, Norton Juxta Kempsey and Orchard primaries came into existence in September 2019, with Pershore High School taking its first Year 7 pupils in September 2021. Despite the challenges presented by the COVID-19 pandemic restrictions, the first year of operation under the new arrangements at the primary schools has been positive.

In line with the Academies Financial Handbook, the Trust has made further changes to its governance structure to ensure separation between tiers of governance. Members are no longer permitted to serve on LGBs and local Governors are not permitted to serve as Trustees. Trust Board membership has been further strengthened by the appointment of Trustees with legal and human resources specialisms.

The Board continues to work closely with the ESFA and has made significant steps forward in terms of its financial recovery over the course of the period. Following the agreement of a financial recovery plan in early 2020 the Trust submits monthly progress reports to the ESFA. The overriding aim of the recovery plan is to return the Trust to surplus by 31st August 2021. Significant savings and efficiencies have been recognised and embedded across the Trust to support this objective and the Trust is on course to meet its aim during the 2020-21 financial year.

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

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Financial Review

The Trust receives its income from a range of sources. The vast majority comes from central government in the form of recurrent grants from Education and Skills Funding Agency (ESFA). These grants and the associated expenditure are shown as restricted funds in the consolidated Statement of Financial Activities.

Funding is based largely on pupil numbers with an Age Weighted Pupil Unit (AWPU) allocation in line with pupil numbers recorded in the October census. These funds form the 'General Annual Grant' (GAG) and cover the staffing and general running costs of the Trust. The ESFA also provide additional grants which are earmarked for specific purposes, for example, Pupil Premium, which must be used to raise attainment of disadvantaged pupils. The Trust may also receive additional grants from the local authority; for example, SEND funding, where the Trust fulfils responsibilities on behalf of the local authority in respect of its pupils. Other income received by the Trust includes that from parents (for trips etc.) or other third parties, for example, donations. This income may be 'restricted' or 'unrestricted' depending on whether it comes with conditions as to its use or whether it is available for spending at the discretion of the Trustees. The key income source for each school remains the GAG funding.

The Trust also receives grants for fixed assets from the ESFA for capital expenditure and building works. In accordance with the Charities Statement of Recommended Practice, (Charities SORP (FRS102)), and the Academies Accounts Direction, these grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

As at 31st August 2020 fund balances were as follows:

| Fund | Category | 2020 £'000) | 2019 (£'000) |
|--------------------------------|---------------------------------|----------------|-----------------|
| GAG | Restricted General Funds | (34) | (254) |
| Total | General Restricted Funds | (34) | (254) |
| Unspent capital grants | Restricted Fixed Asset Funds | 907 | 302 |
| Total | Spendable Funds | 907 | 302 |
| Net book value of fixed assets | Restricted Fixed Asset Fund | 18,127 | 16,797 |
| Share of LGPS deficit | Restricted Pension Reserve | (6,725) | (4,688) |
| Total | All Funds | 12,274 | 12,157 |

During the year ended 31 August 2020, total expenditure of £8,411k (2019: £8,404k) was funded by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £220k (2019: deficit of £101k). At 31 August 2020 the net book value of fixed assets was £18,127k (2019: £16,797k).

In common with all academies and local authorities, the Trust has an ongoing commitment to its share of the Local Government Pension Scheme (LGPS) deficit. Whilst this is not a conventional liability, it does need to be reflected in the accounts, although it does not need to be deducted from spendable funds. The Trust meets its obligations in respect of LGPS by paying over pension contributions due as calculated by the scheme's actuaries. As at 31st August 2020 the LGPS showed a deficit of £6,725k (2019: £4,688k).

Financial Risk Management objectives and policies

The Trustees have assessed the major risks to which the Trust is exposed. The Finance, Audit and Risk committee review risk management arrangements that include a risk management strategy and a strategic risk register.

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

The strategic risk register seeks to identify the likelihood of an event occurring, its impact, and mitigating actions that might be utilised to reduce or dissipate the risk where appropriate. Risks are categorised under strategic, operational, compliance, financial, educational, well-being and safety, and reputational headings.

Trustees acknowledge that they have overall responsibility for ensuring that the Trust has an effective and appropriate system of controls in place. The Board is also responsible for keeping proper accounting records which comply with the Companies Act. The Trustees also acknowledge responsibility for safeguarding the assets of the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trust's system of internal control is based on a framework of regular management information and administrative procedures including segregation of duties, monitoring of controls, training of staff and a system of delegations and accountability.

The Trust's financial regulations manual provides instruction and guidance to Trustees, Chairs of LGBs, Headteachers and staff and ensures that each school within the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.

An internal audit function, provided by an external reviewer performing a range of checks on the Trusts internal control systems and procedures, provides further assurance to the Trustees.

Reserves Policy

The principal policy on reserves is that any accumulation of unspent GAG balances should not breach any limits set out in the Funding Agreement. Each year the Trustees review the resource requirements and grant and other income that is forecasted for the coming year and an annual budget is formulated and approved.

Trustees recognise the need to have sufficient reserves to protect the Trust into the future however, current funding levels, particularly in relation to lagged funding, do not allow for an accumulation of funds at this time. Having agreed a recovery plan with the ESFA, Trustees are managing this challenging short-term position with a view to working towards the aims of the reserves policy as pupil numbers and associated GAG funding increase in future years.

The aim of Trustees is to carry forward a prudent level of reserves that will enable growth and support schools within the Trust to flourish. Initially, the Trust aims to build a reserve of 3x its monthly salary bill over time. This aim will be supported through the robust management of expenditure and value for money processes and procedures, identification and exploitation of economies of scale, and a drive towards income generation.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. Trustees are committed to ensuring that all funds under their control are managed in such a way to maximise return whilst minimising risk.

Principal Risks and Uncertainties

All major risks to which the Trust is exposed are detailed in the risk register that is reviewed by Finance, Audit and Risk committee and the Trust Board. Robust policies and procedures are in place to mitigate and manage risk across the Trust.

The principal risks of the Trust have been identified as:

- Financial – the Trust is reliant on the continued government funding through the ESFA. There is no assurance that the government policy or practice will remain the same. Moreover, it remains the fact that despite the National Funding Formula, the funding levels for secondary pupils in Worcestershire is less per

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

pupil per year than in other areas within the West Midlands.

The savings and efficiencies recognised during the year and the improved management information and controls put in place, manage, in so far as is possible, the impact of this risk. The longer-term funding position improves with an increased PAN for the high school and the introduction of year 5 in the primaries from 2019 and the introduction of year 7 in the high school from 2021.

As the nature of the financial instruments dealt with by the Trust is relatively simple (bank balances, debtors and creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the Trust's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically in relation to the level of contributions payable, ensuring that annual budgets reflect the actuarial advice.

- Staffing – there is a nationwide shortage of qualified teachers, with high numbers leaving the profession and this may impact on the Trust's ability to recruit and retain quality staff. The Initial Teaching programme at the high school and the on-going programme of continuing professional development in place across the Trust goes some way to mitigating this risk. The Trust is also mindful of impact on staff well-being and is taking steps to support this through the use of well-being surveys and other forms of support, for example, counselling services. The on-going pandemic has put staff under considerable pressure and the media reports suggest that teachers and support staff leaving the sector in increasingly large numbers. Trustees are mindful of the increased risk in this area.
- Buildings and facilities – ensuring that the estate under the control of the Trust remains safe, secure and compliant. This is supported primarily through planned School Condition Allocation (CIF, DFC) spending.

Fundraising

The Trust continues to develop its fundraising plan which will set out its aims and demonstrate how these aims link to the values of the Trust. The plan conforms to the Charities SORP and the guidance issued by the Charities Commission in relation to fundraising. During the accounting period, the Trust did not operate a formal fundraising programme in conjunction with any commercial or professional fundraisers. Similarly, the Trust does not subscribe to any voluntary fundraising schemes or standards and does not have any commercial third party fundraising on its behalf requiring monitoring in relation to vulnerable people, unreasonably intrusive or persistent fundraising approaches, or undue pressure to donate.

Schools in the Trust do benefit from occasional volunteer fundraising by associated parent/friends and similar groups.

The Trust has not received any formal complaints in respect of its fundraising activities.

Plans for Future Periods

To achieve its vision, the Trust will continue to build upon its reputation for outstanding teaching and learning. To facilitate this, it will ensure that all pupils are able to equally access all areas of school life, including pastoral support, and that pupil voice is heard and has an impact. In addition, it will continue to ensure excellent learning through its rigorous programme of Learning Walks and formal Lesson Observations, based on the stringent Ofsted criteria.

The Trust will continue to work with other local schools, in particular, those schools aspiring or considering joining a multi Academy Trust as well as working with the DfE and the Regional Schools Commissioner.

In line with the strategic plan, the Trust Board has agreed to maintain its current establishment until the Trust has returned to surplus. This controlled approach is being taken to ensure that the Trust is in the best position to

AVONREACH ACADEMY TRUST

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

welcome new schools.

The Trust continues to focus on its financial recovery and significant savings and efficiencies have been identified and implemented during the period to ensure that it is on target to return to surplus by the 31st August 2021, as agreed with the ESFA.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold any funds as custodian Trustee on behalf of others.

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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 28 January 2021 and signed on the Board's behalf by:



Andrew Longdon
Chair of Trustees

AVONREACH ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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

AVONREACH ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

Governance

The information on governance included here supplements that described in the Trustees Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings Attended | Out of a possible |
|------------------|-------------------|-------------------|
| Bob Stanton | 5 | 5 |
| Karen Rutter | 5 | 5 |
| Ian Cumming | 5 | 5 |
| Andrew Longdon | 5 | 5 |
| Rob Phillips | 5 | 5 |
| Noel Fowler | 3 | 3 |
| Mark Slater | 4 | 5 |
| Clive Corbett | 5 | 5 |
| Ann Derbyshire | 1 | 1 |
| Penelope Anstey | 1 | 1 |
| Rachel Callaghan | 1 | 1 |
| Julia Hayes | 1 | 1 |

In line with the Academies Financial Handbook, the Trust has made further changes to its governance structure to ensure separation between tiers of governance. Members are no longer permitted to serve on LGBs and local Governors are not permitted to serve as Trustees.

Three new Members have been appointed to the Trust and bring with them significant expertise in corporate, charity and school governance.

Trust Board membership has been further strengthened by the appointment of Trustees with experience in the legal and human resources sectors.

The annual skills audit identified the need for specific experience in the secondary phase. The Trust is actively seeking to appoint a Trustee with this experience.

The work of the Board and its committees has continued despite the restrictions due to the COVID-19 pandemic with meetings taking place on-line. The Board have continued to focus on the financial recovery of the Trust and on the effective delivery of the curriculum under the unprecedented circumstances created by the pandemic. The work of the Board has been informed by significantly improved and timely financial management information; an updated and comprehensive scheme of delegation, and reviewed and improved policies. In addition, the Board has reviewed and refined its governance structure, including making changes to its committee structure and terms of reference for Board committees and LGBs.

In light of the restrictions, it has not been possible for Trustees to meet together as planned to formally review and update the action plan created following the review of governance carried out in July 2019. However, it is the intention of the Board to hold another "Away Day" event as soon as restrictions allow.

AVONREACH ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

The Finance, Audit & Risk Committee

The purpose of the Finance, Audit & Risk Committee is to ensure the financial robustness of the Trust, to monitor financial performance against budget and to ensure financial propriety through the audit of the Trust's systems and controls.

Attendance at meetings in the year was as follows:

| Trustee | Meetings Attended | Out of a possible |
|----------------|-------------------|-------------------|
| Bob Stanton | 6 | 6 |
| Karen Rutter | 5 | 6 |
| Ian Cumming | 6 | 6 |
| Andrew Longdon | 3 | 6 |
| Clive Corbett | 5 | 6 |

Review of Value for Money

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

The Accounting Officer considers how the academy'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 Trust has delivered improved value for money during the year by:

Ensuring the effective use of resources:

- resources are targeted at school improvement priorities
- spending on goods and services delivers quality and value for money
- estates are maintained in a good state of repair and are suitable and safe for pupils to achieve best outcomes.

Ensuring financial effectiveness:

- sufficient expertise is available to challenge on ensuring value for money. If required consulting professional experts to advise on financial aspects
- timely financial management information highlight significant variances to budget allowing individual schools and the Board to take remedial action
- development of fundraising plan to identify and exploit income generation opportunities available to the Trust.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the 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 Avonreach Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

AVONREACH ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

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 2019 to 31 August 2020 and up to date of approval of the annual report and financial statement. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including 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, Audit and Risk committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees considered the need for a specific internal audit function and appointed Randall and Payne to carry out internal scrutiny reviews for the period 1st September 2019 to 31st August 2020. In light of the requirements in the Academies Financial Handbook 2020, new arrangements have been put in place for the period 1st September 2020 to 31st August 2021.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. Reviews in the current period included:

- VAT reporting and reclaim processes
- trading activities
- operation of School Fund

The auditor reports to the Board of Trustees, through the Finance, Audit and Risk committee on the operation of the systems of control and the discharge of the Board of Trustees' financial responsibilities and prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The internal scrutiny reviews for the period have been impacted by the pandemic given the limited opportunities to visit schools and restrictions around home working during the lockdown period.

AVONREACH ACADEMY TRUST

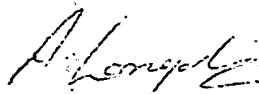
GOVERNANCE STATEMENT (continued)

Review of Effectiveness

As Accounting Officer, the 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 school resources management self-assessment tool
- the work of the Chief Financial Officer who has responsibility for the development and maintenance of the internal control framework
- feedback from the Chair of the Finance, Audit and Risk Committee

Approved by order of the members of the Board of Trustees on 28 January 2021 and signed on their behalf, by:



Andrew Longdon
Chair of Trustees



Clive Corbett
Executive Officer

AVONREACH ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Clive Corbett
Executive Officer

Date: 28 January 2021

AVONREACH ACADEMY TRUST

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

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group 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 and the Group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 28 January 2021 and signed on its behalf by:



Andrew Longdon
Chair of Trustees

AVONREACH ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AVONREACH ACADEMY TRUST

Opinion

We have audited the financial statements of Avonreach Academy Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Group Consolidated statement of financial activities incorporating income and expenditure account, the Group Consolidated balance sheet, the Group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy's affairs as at 31 August 2020 and of the Group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the reserves of the Trust are in overall deficit as at 31 August 2020. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent Academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

In forming our opinion on the financial statements we have considered the adequacy of the disclosure in note 1.2 to the financial statements concerning the Academy's ability to continue as a going concern. The academy has deficit reserves of £34,000 included within the restricted general funds (excluding pension liability and fixed assets). The financial statements do not include the adjustments that would result if the Academy was unable to continue as a going concern.

AVONREACH ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AVONREACH ACADEMY TRUST

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group 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:

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

AVONREACH ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AVONREACH ACADEMY TRUST

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Academy'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 Group or the parent Academy or to cease operations, or have no realistic alternative but to do so.

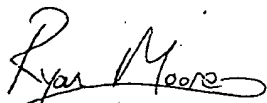
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ryan Moore CA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants and Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA
Date: 29 January 2021

AVONREACH ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO AVONREACH ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Avonreach Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Avonreach Academy Trust's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

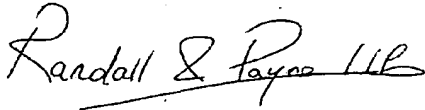
AVONREACH ACADEMY TRUST

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO AVONREACH
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

Conclusion

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

During the course of the 2019/20 financial year, the Academy Trust remained in overall deficit.



Randall & Payne LLP

Chartered Accountants and Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date: 29 January 2021

AVONREACH ACADEMY TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

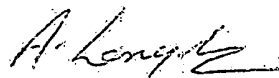
| | Note | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|--|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 2 | - | 128 | 2,285 | 2,413 | 623 |
| Charitable activities | 3 | - | 7,948 | - | 7,948 | 7,351 |
| Other trading activities | 4 | 547 | - | - | 547 | 770 |
| Total income | | 547 | 8,076 | 2,285 | 10,908 | 8,744 |
| Expenditure on: | | | | | | |
| Raising funds | | 11 | - | - | 11 | 366 |
| Charitable activities | | - | 8,705 | 332 | 9,037 | 8,823 |
| Total expenditure | 5 | 11 | 8,705 | 332 | 9,048 | 9,189 |
| Net income/ (expenditure) before transfers | | 536 | (629) | 1,953 | 1,860 | (445) |
| Transfers between Funds | 16 | (536) | 555 | (19) | - | - |
| Net income / (expenditure) before other recognised gains and losses | | - | (74) | 1,934 | 1,860 | (445) |
| Actuarial losses on defined benefit pension schemes | 20 | - | (1,743) | - | (1,743) | (1,421) |
| Net movement in funds | | - | (1,817) | 1,934 | 117 | (1,866) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | - | (4,942) | 17,099 | 12,157 | 14,023 |
| Total funds carried forward | | - | (6,759) | 19,033 | 12,274 | 12,157 |

AVONREACH ACADEMY TRUST
REGISTERED NUMBER: 07665364

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | £000 | 2020 £000 | £000 | 2019 £000 |
|--|------|----------------|----------------------|----------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 13 | | 18,127 | | 16,778 |
| Current assets | | | | | |
| Debtors | 14 | 1,018 | | 223 | |
| Cash at bank and in hand | | 891 | | 483 | |
| | | <u>1,909</u> | | <u>706</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(1,037)</u> | | <u>(639)</u> | |
| Net current assets | | | <u>872</u> | | <u>67</u> |
| Total assets less current liabilities | | | <u>18,999</u> | | <u>16,845</u> |
| Defined benefit pension scheme liability | 20 | | <u>(6,725)</u> | | <u>(4,688)</u> |
| Net assets including pension scheme liabilities | | | <u><u>12,274</u></u> | | <u><u>12,157</u></u> |
| Funds of the academy | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 16 | (34) | | (254) | |
| Restricted fixed asset funds | 16 | 19,033 | | 17,099 | |
| Restricted income funds excluding pension liability | | <u>18,999</u> | | <u>16,845</u> | |
| Pension reserve | | <u>(6,725)</u> | | <u>(4,688)</u> | |
| Total restricted income funds | | | <u><u>12,274</u></u> | | <u><u>12,157</u></u> |
| Shareholders' and Charity's funds | | | <u><u>12,274</u></u> | | <u><u>12,157</u></u> |

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue, on 28 January 2021 and are signed on their behalf, by:



Andrew Longdon
Chair of Trustees



Clive Corbett
Executive Officer


AVONREACH ACADEMY TRUST
REGISTERED NUMBER: 07665364

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | £000 | 2020 £000 | £000 | 2019 £000 |
|--|------|--------------|----------------------|------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 13 | | 18,127 | | 16,778 |
| Current assets | | | | | |
| Debtors | 14 | 1,022 | | 204 | |
| Cash at bank | | 875 | | 418 | |
| | | <u>1,897</u> | | <u>622</u> | |
| Creditors: amounts falling due within one year | 15 | (1,038) | | (632) | |
| Net current assets/(liabilities) | | | <u>859</u> | | <u>(10)</u> |
| Total assets less current liabilities | | | <u>18,986</u> | | <u>16,768</u> |
| Defined benefit pension scheme liability | 20 | | (6,725) | | (4,688) |
| Net assets including pension scheme liabilities | | | <u><u>12,261</u></u> | | <u><u>12,080</u></u> |
| Funds of the academy | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | | | | (194) | |
| Restricted fixed asset funds | | 19,038 | | 17,082 | |
| Restricted funds excluding pension asset | | 19,038 | | 16,888 | |
| Pension reserve | | (6,725) | | (4,688) | |
| Total restricted funds | | | <u>12,313</u> | | <u>12,200</u> |
| Unrestricted funds | | | (52) | | (120) |
| Total funds | | | <u><u>12,261</u></u> | | <u><u>12,080</u></u> |

The financial statements were approved by the Trustees, and authorised for issue, on 28 January 2021 and are signed on their behalf, by:


Andrew Longdon
Chair of Trustees


Clive Corbett
Executive Officer

AVONREACH ACADEMY TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Note | 2020 £000 | 2019 £000 |
|--|------|--------------|--------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 18 | (196) | 115 |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (1,681) | (136) |
| Capital grants from DfE Group | | 2,285 | 315 |
| Net cash provided by investing activities | | 604 | 179 |
| Change in cash and cash equivalents in the year | | 408 | 294 |
| Cash and cash equivalents brought forward | | 483 | 189 |
| Cash and cash equivalents carried forward | 19 | 891 | 483 |

AVONREACH ACADEMY TRUST

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Avonreach Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trustees have concluded that with cash reserves below the minimum targeted amount disclosed in the reserves policy, and carrying a deficit budget from 2018/19, the Trust will continue to closely monitor cash flow. The Academy is expected to continue as a going concern.

AVONREACH ACADEMY TRUST

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

1. Accounting policies (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

AVONREACH ACADEMY TRUST

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

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Basis of consolidation

The financial statements consolidate the accounts of Avonreach Academy Trust and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The net income and expenditure account of the Trading Company for the year, dealt with in the accounts of the Academy, was £16,204 (2019 - £77,000).

1.6 Turnover

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

AVONREACH ACADEMY TRUST

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

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|------------------------|---------------------|
| Leasehold property | - 50 years |
| Furniture and fixtures | - 10% straight line |
| Computer equipment | - 33% straight line |

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.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

AVONREACH ACADEMY TRUST

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

1. Accounting policies (continued)

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in note 15. 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 instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The Academy 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 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.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

AVONREACH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020.

1. Accounting policies (continued)

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

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

1.14 Fund accounting

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

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

AVONREACH ACADEMY TRUST

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

2. Income from donations and capital grants

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|--------------------------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Donations | - | 128 | - | 128 | 308 |
| Capital Grants | - | - | 2,245 | 2,245 | 281 |
| Devolved formula capital | - | - | 40 | 40 | 34 |
| | - | 128 | 2,285 | 2,413 | 623 |
| Total 2019 | 1 | 307 | 315 | 623 | |

3. Funding for Academy's educational operations

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 6,887 | 6,887 | 6,679 |
| Rates Reclaim | - | 33 | 33 | 42 |
| Pupil Premium and Service Premium | - | 233 | 233 | 185 |
| Universal Infant Free School Meals (UFSM) | - | 81 | 81 | 84 |
| PE and Sports Grant | - | 51 | 51 | 51 |
| Other DfE and ESFA | - | 409 | 409 | 82 |
| LA - Special Educational Needs (SEN) | - | 170 | 170 | 145 |
| Other LA Revenue Grants | - | 84 | 84 | 83 |
| | - | 7,948 | 7,948 | 7,351 |
| Total 2019 | - | 7,351 | 7,351 | |

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Other trading activities - Trust

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|--------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Music tuition | 13 | - | 13 | 18 |
| Hire of facilities | 9 | - | 9 | 8 |
| Catering income | 299 | - | 299 | 1 |
| Trading recharges | 29 | - | 29 | 30 |
| Other income | 173 | - | 173 | 263 |
| | <u>523</u> | <u>-</u> | <u>523</u> | <u>320</u> |
| <i>Total 2019</i> | <u>320</u> | <u>-</u> | <u>320</u> | |

Included within "Other trading activities" on the face of the Statement of Financial Activities, is £24k of additional income in respect of the Trading Entity.

5. Expenditure

| | Staff costs 2020 £000 | Premises 2020 £000 | Other costs 2020 £000 | Total 2020 £000 | Total 2019 £000 |
|------------------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------|-----------------------|
| Expenditure on fundraising trading | | | | | |
| Direct costs | - | - | 11 | 11 | 366 |
| Support costs | - | - | - | - | - |
| Educational Operations | | | | | |
| Direct: | | | | | |
| Direct costs | 5,509 | - | 410 | 5,919 | 6,037 |
| Support costs | 1,442 | - | 1,676 | 3,118 | 2,786 |
| | <u>6,951</u> | <u>-</u> | <u>2,097</u> | <u>9,048</u> | <u>9,189</u> |
| <i>Total 2019</i> | <u>7,190</u> | <u>120</u> | <u>1,879</u> | <u>9,189</u> | |

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £000 | Support costs 2020 £000 | Total 2020 £000 | Total 2019 £000 |
|-------------------------------|--|----------------------------------|-----------------------|-----------------------|
| Educational Operations Direct | 5,919 | 3,118 | 9,037 | 8,823 |
| <i>Total 2019</i> | <u>6,037</u> | <u>2,786</u> | <u>8,823</u> | |

Analysis of direct costs.

| | Educational Operations Direct £000 | Total 2020 £000 | Total 2019 £000 |
|--------------------------|---|-----------------------|-----------------------|
| Pension costs | - | - | 77 |
| Educational supplies | 283 | 283 | 401 |
| Examination fees | 96 | 96 | 115 |
| Technology costs | 31 | 31 | 23 |
| Other | - | - | 2 |
| Wages and salaries | 4,198 | 4,198 | 4,366 |
| National insurance | 383 | 383 | 366 |
| Pension cost | 928 | 928 | 681 |
| Depreciation | - | - | 6 |
| | <u>5,919</u> | <u>5,919</u> | <u>6,037</u> |
| <i>At 31 August 2019</i> | <u>6,037</u> | <u>6,037</u> | |

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational Operations Support £000 | Total 2020 £000 | Total 2019 £000 |
|-------------------------|--|-----------------------|-----------------------|
| Pension income | 81 | 81 | - |
| Staff costs | 1,442 | 1,442 | 1,628 |
| Depreciation | 332 | 332 | 321 |
| Staff expenses | - | - | 1 |
| Other staff costs | 1 | 1 | 4 |
| Insurance | 31 | 31 | 67 |
| Technology costs | 68 | 68 | 93 |
| Other | 170 | 170 | 38 |
| Maintenance of premises | 123 | 123 | 62 |
| Cleaning and caretaking | 166 | 166 | 45 |
| Rates | 21 | 21 | 27 |
| Energy | 118 | 118 | 129 |
| Security | 1 | 1 | 1 |
| Transport | 23 | 23 | 32 |
| Catering | 278 | 278 | 119 |
| Other premises costs | 87 | 87 | 65 |
| Legal & professional | 147 | 147 | 125 |
| Auditor costs | 27 | 27 | 28 |
| Subtotal | 3,116 | 3,116 | 2,785 |
| Other support costs | 2 | 2 | - |
| | 3,118 | 3,118 | 2,785 |
| At 31 August 2019 | 2,785 | 2,785 | |

7. Net income/(expenditure)

This is stated after charging:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charitable group | 332 | 326 |
| Auditors' remuneration - audit | 13 | 13 |
| Auditors' remuneration - non-audit costs | 5 | 12 |
| Operating lease costs | 11 | 14 |

AVONREACH ACADEMY TRUST

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

8. Staff costs

a. Staff costs

Staff costs were as follows:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Wages and salaries | 5,077 | 5,482 |
| Social security costs | 443 | 427 |
| Operating costs of defined benefit pension schemes | 1,420 | 1,240 |
| | <u>6,940</u> | <u>7,149</u> |
| Agency staff costs | - | 30 |
| Apprenticeship Levy | 11 | 11 |
| | <u>6,951</u> | <u>7,190</u> |

b. Staff numbers

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

| | 2020 No. | 2019 No. |
|----------------------------|-------------|-------------|
| Teachers | 89 | 88 |
| Administration and support | 110 | 112 |
| Management | 11 | 7 |
| | <u>210</u> | <u>207</u> |

c. Higher paid staff

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

| | 2020 No. | 2019 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 2 |
| In the band £80,001 - £90,000 | 1 | 1 |

2 (2019 - 3) of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2020, pension contributions for these staff amounted to £35,359 (2019 - £34,000). This is reflective of the increase in employer teachers' pension contribution rates in the year.

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £417,355 (2019 - £397,358).

AVONREACH ACADEMY TRUST

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

9. Central services

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

- Financial Services
- Legal Services
- Procurement
- HR Support
- IT Support
- Educational Support

The Academy charges for these services on the following basis:

The central service charge is calculated based on 3.25% of income.

An element of the central services charge, representing the accumulated surplus in the central Trust function, was refunded to the individuals schools at the year end.

The actual amounts charged during the year were as follows:

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| Orchard Primary School | 21 | 12 |
| Inkberrow Primary School | 17 | 11 |
| Norton Juxta Kempsey Primary School | 18 | 11 |
| Pershore High School | 168 | 81 |
| | <hr/> | <hr/> |
| Total | 224 | 115 |
| | <hr/> | <hr/> |

AVONREACH ACADEMY TRUST

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

10. Trustees' remuneration and expenses

One or more former Trustees has been paid remuneration or has received other benefits from an employment with the Academy in the past two years. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Sarah Bitcon, Headteacher (resigned as Staff Trustee 17 January 2019) | - | 20-25 |
| Pension contributions paid | - | 0-5 |
| Heather Thomson, Headteacher (resigned as Staff Trustee 17 January 2019) | - | 20-25 |
| Pension contributions paid | - | 0-5 |
| Julia Dean, Headteacher (resigned as Staff Trustee 17 January 2019) | - | 20-25 |
| Pension contributions paid | - | 0-5 |
| Philip Hanson, Headteacher (resigned as Staff Trustee 17 January 2019) | - | 30-35 |
| Pension contributions paid | - | 0-5 |

During the year ended 31 August 2020, no Trustees received any reimbursement of expenses (2019 - £NIL).

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year is not separable from the overall RPA deductions.

12. Pension costs

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Interest income on pension scheme assets | 63 | 85 |
| Interest on pension scheme liabilities | (144) | (162) |
| | <u>(81)</u> | <u>(77)</u> |

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Tangible fixed assets

| Group | Long-term leasehold property £000 | Fixtures and fittings £000 | Computer equipment £000 | Assets under construction £000 | Total £000 |
|-----------------------|--|----------------------------------|-------------------------------|---|---------------|
| Cost | | | | | |
| At 1 September 2019 | 18,824 | 33 | 351 | - | 19,208 |
| Additions | 188 | 6 | 2 | 1,485 | 1,681 |
| At 31 August 2020 | 19,012 | 39 | 353 | 1,485 | 20,889 |
| Depreciation | | | | | |
| At 1 September 2019 | 2,073 | 17 | 340 | - | 2,430 |
| Charge for the year | 322 | 3 | 7 | - | 332 |
| At 31 August 2020 | 2,395 | 20 | 347 | - | 2,762 |
| Net book value | | | | | |
| At 31 August 2020 | 16,617 | 19 | 6 | 1,485 | 18,127 |
| At 31 August 2019 | 16,751 | 16 | 11 | - | 16,778 |

| Academy | Long-term leasehold property £000 | Furniture and fixtures £000 | Plant and equipment £000 | Assets under construction £000 | Total £000 |
|-----------------------|--|-----------------------------------|--------------------------------|---|---------------|
| Cost | | | | | |
| At 1 September 2019 | 18,824 | 33 | 351 | - | 19,208 |
| Additions | 188 | 6 | 2 | 1,485 | 1,681 |
| At 31 August 2020 | 19,012 | 39 | 353 | 1,485 | 20,889 |
| Depreciation | | | | | |
| At 1 September 2019 | 2,073 | 17 | 340 | - | 2,430 |
| Charge for the year | 322 | 3 | 7 | - | 332 |
| At 31 August 2020 | 2,395 | 20 | 347 | - | 2,762 |
| Net book value | | | | | |
| At 31 August 2020 | 16,617 | 19 | 6 | 1,485 | 18,127 |
| At 31 August 2019 | 16,751 | 16 | 11 | - | 16,778 |

AVONREACH ACADEMY TRUST

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

13. Tangible fixed assets (continued)

Included in long-term leasehold property is land at valuation of £2,910,700 (2019 - £2,910,700) which has not been depreciated.

The freehold of the properties are owned by both the local authority, where the Trust lease the sites on a 125 year lease for nil rental, and the Diocese, where the Trust lease the site on a 2 year lease for nil rental.

In accordance with the SORP the assets have been recognised in the academy trust's accounts, representing the 'right to use' the property.

14. Debtors

| | Group | | Academy | |
|--------------------------------|--------------|-------------|----------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Trade debtors | 10 | 36 | 15 | 17 |
| Other debtors | 33 | 90 | 32 | 90 |
| Prepayments and accrued income | 975 | 97 | 975 | 97 |
| | 1,018 | 223 | 1,022 | 204 |

15. Creditors: Amounts falling due within one year

| | Group | | Academy | |
|------------------------------------|--------------|-------------|----------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 768 | 377 | 772 | 371 |
| Other taxation and social security | 235 | 218 | 235 | 218 |
| Other creditors | 19 | - | 19 | - |
| Accruals and deferred income | 15 | 44 | 12 | 43 |
| | 1,037 | 639 | 1,038 | 632 |

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Statement of funds

| | Balance at 1 September 2019 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2020 £000 |
|-------------------------------------|--|----------------|---------------------|-----------------------------|----------------------------|---|
| Unrestricted funds | | | | | | |
| General Funds - all funds | - | 547 | (11) | (536) | - | - |
| Restricted funds | | | | | | |
| GAG | (254) | 8,076 | (8,411) | 555 | - | (34) |
| Pension reserve | (4,688) | - | (294) | - | (1,743) | (6,725) |
| | <u>(4,942)</u> | <u>8,076</u> | <u>(8,705)</u> | <u>555</u> | <u>(1,743)</u> | <u>(6,759)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed Assets | 16,797 | - | (332) | 1,661 | - | 18,126 |
| Capital Grants | 242 | 2,245 | - | (1,680) | - | 807 |
| Devolved Formula Capital | 60 | 40 | - | - | - | 100 |
| | <u>17,099</u> | <u>2,285</u> | <u>(332)</u> | <u>(19)</u> | <u>-</u> | <u>19,033</u> |
| Total restricted funds | <u>12,157</u> | <u>10,361</u> | <u>(9,037)</u> | <u>536</u> | <u>(1,743)</u> | <u>12,274</u> |
| Total of funds | <u>12,157</u> | <u>10,908</u> | <u>(9,048)</u> | <u>-</u> | <u>(1,743)</u> | <u>12,274</u> |

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

The restricted general fund includes grants receivable from the ESFA, DfE, local authority and other government grants to be used for the primary activity of the charitable company.

The fixed asset fund relates to the grants received and assets donated/transferred in and are held for the charitable company's primary activity.

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

AVONREACH ACADEMY TRUST

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

16. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

| | Total 2020 £000 | Total 2019 £000 |
|---|-----------------------|-----------------------|
| Orchard Primary School | 292 | 231 |
| Inkberrow Primary School | (15) | 10 |
| Norton Juxta Kempsey Primary School | (43) | (3) |
| Pershore High School | (268) | (507) |
| Avonreach Academy Trust | - | 15 |
| Total before fixed asset fund and pension reserve | (34) | (254) |
| Restricted fixed asset fund | 19,033 | 17,099 |
| Pension reserve | (6,725) | (4,688) |
| Total | 12,274 | 12,157 |

Analysis of academies by cost

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

| | Teaching and educational support staff costs £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciat- ion £000 | Total 2020 £000 | Total 2019 £000 |
|-------------------------------------|--|---|---------------------------------|---|-----------------------|-----------------------|
| Orchard Primary School | 630 | 69 | 29 | 94 | 822 | 810 |
| Inkberrow Primary School | 454 | 67 | 51 | 84 | 656 | 589 |
| Norton Juxta Kempsey Primary School | 519 | 51 | 36 | 100 | 706 | 627 |
| Pershore High School | 3,895 | 988 | 285 | 817 | 5,985 | 5,964 |
| Avonreach Academy Trust | - | 64 | - | 180 | 244 | 385 |
| | 5,498 | 1,239 | 401 | 1,275 | 8,413 | 8,375 |

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2019 £000 |
|-------------------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| General Funds - all funds | - | 771 | (367) | (404) | - | - |
| Restricted funds | | | | | | |
| GAG | (153) | 6,721 | (7,185) | 363 | - | (254) |
| Other DfE/ESFA Grants | - | 132 | (132) | - | - | - |
| Pupil Premium | - | 185 | (185) | - | - | - |
| SEN | - | 145 | (145) | - | - | - |
| Donations | - | 223 | (223) | - | - | - |
| UIFSM | - | 84 | (84) | - | - | - |
| NEF | - | 83 | (83) | - | - | - |
| Pension reserve | (2,893) | 85 | (459) | - | (1,421) | (4,688) |
| | <u>(3,046)</u> | <u>7,658</u> | <u>(8,496)</u> | <u>363</u> | <u>(1,421)</u> | <u>(4,942)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed Assets | 16,971 | - | (326) | 152 | - | 16,797 |
| Capital Grants | 72 | 281 | - | (111) | - | 242 |
| Devolved Formula Capital | 26 | 34 | - | - | - | 60 |
| | <u>17,069</u> | <u>315</u> | <u>(326)</u> | <u>41</u> | <u>-</u> | <u>17,099</u> |
| Total restricted funds | <u>14,023</u> | <u>7,973</u> | <u>(8,822)</u> | <u>404</u> | <u>(1,421)</u> | <u>12,157</u> |
| Total of funds | <u>14,023</u> | <u>8,744</u> | <u>(9,189)</u> | <u>-</u> | <u>(1,421)</u> | <u>12,157</u> |

17. Analysis of net assets between funds

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 |
|--|---------------------------------------|-------------------------------------|--|--------------------------------|
| Tangible fixed assets | (1) | - | 18,127 | 18,126 |
| Current assets | - | 1,001 | 907 | 1,908 |
| Creditors due within one year | - | (1,035) | - | (1,035) |
| Provisions for liabilities and charges | - | (6,725) | - | (6,725) |
| | <u>-</u> | <u>(6,759)</u> | <u>19,033</u> | <u>12,274</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds | Restricted funds | Restricted fixed asset funds | Total funds |
|--|-----------------------|---------------------|------------------------------------|----------------|
| | 2019 £000 | 2019 £000 | 2019 £000 | 2019 £000 |
| Tangible fixed assets | - | - | 16,779 | 16,779 |
| Current assets | - | 386 | 320 | 706 |
| Creditors due within one year | - | (640) | - | (640) |
| Provisions for liabilities and charges | - | (4,688) | - | (4,688) |
| | - | (4,942) | 17,099 | 12,157 |

18. Reconciliation of net movement in funds to net cash flow from operating activities

| | Group | |
|--|--------------|--------------|
| | 2020 £000 | 2019 £000 |
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 1,860 | (445) |
| Adjustment for: | | |
| Depreciation charges | 332 | 327 |
| Increase/ (decrease) in creditors | 398 | 127 |
| (Increase)/decrease in debtors | (795) | 47 |
| Capital grants from DfE and other capital income | (2,285) | (315) |
| FRS102 pension adjustments | 294 | 374 |
| Net cash (used in)/provided by operating activities | (196) | 115 |

19. Analysis of cash and cash equivalents

| | Group | |
|--------------|--------------|--------------|
| | 2020 £000 | 2019 £000 |
| Cash in hand | 891 | 483 |
| Total | 891 | 483 |

20. Pension commitments

The Group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for

AVONREACH ACADEMY TRUST

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

20. Pension commitments (continued)

England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £124,841 were payable to the schemes at 31 August 2020 (2019 - £104,325) and are included within creditors.

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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £828,000 (2019 - £581,000).

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

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

AVONREACH ACADEMY TRUST

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £368,000 (2019 - £347,000), of which employer's contributions totalled £296,000 (2019 - £263,000) and employees' contributions totalled £72,000 (2019 - £84,000). The agreed contribution rates for future years are 19.5% for employers and 5-6% 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.

Principal actuarial assumptions:

| | 2020 | 2019 |
|--|--------|--------|
| Discount rate for scheme liabilities | 1.80 % | 1.80 % |
| Rate of increase in salaries | 3.90 % | 3.50 % |
| Rate of increase for pensions in payment / inflation | 2.50 % | 2.10 % |
| Inflation assumption (CPI) | 2.40 % | 2.00 % |

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

| | 2020 | 2019 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.6 | 22.8 |
| Females | 25 | 25.8 |
| Retiring in 20 years | | |
| Males | 24.2 | 25.1 |
| Females | 27 | 28.2 |

| | At 31 August 2020 £000 | At 31 August 2019 £000 |
|--|------------------------------|------------------------------|
| Sensitivity analysis | | |
| Discount rate +0.1% | (202) | (181) |
| Mortality assumption - 1 year increase | 287 | 146 |
| CPI rate +0.1% | 207 | 185 |

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Pension commitments (continued)

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

| | Fair value at 31 August 2020 £000 | Fair value at 31 August 2019 £000 |
|------------------------------|--|--|
| Equities | 2,216 | 2,364 |
| Government bonds | 225 | 250 |
| Corporate bonds | 178 | 167 |
| Property | 181 | 200 |
| Cash and other liquid assets | 141 | 97 |
| Other | 420 | 257 |
| Total market value of assets | <u>3,361</u> | <u>3,335</u> |

The actual return on scheme assets was £50,000 (2019 - £132,000).

The amounts recognised in the Statement of financial activities are as follows:

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| Current service cost | (498) | (422) |
| Past service cost | (6) | (133) |
| Interest income | 63 | 85 |
| Interest cost | (144) | (162) |
| Admin expenses | (5) | (5) |
| Total | <u>(590)</u> | <u>(637)</u> |
| Actual return on scheme assets | <u>50</u> | <u>132</u> |

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

| | 2020 £000 | 2019 £000 |
|------------------------------------|---------------|--------------|
| Opening defined benefit obligation | 8,023 | 5,783 |
| Current service cost | 498 | 422 |
| Interest cost | 144 | 162 |
| Employee contributions | 72 | 84 |
| Actuarial losses | 1,434 | 1,468 |
| Benefits paid | (91) | (29) |
| Past service costs | 6 | 133 |
| Closing defined benefit obligation | <u>10,086</u> | <u>8,023</u> |

AVONREACH ACADEMY TRUST

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

20. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets:

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| Opening fair value of scheme assets | 3,335 | 2,890 |
| Interest income | 63 | 85 |
| Actuarial gains / (losses) | (309) | 47 |
| Employer contributions | 296 | 263 |
| Employee contributions | 72 | 84 |
| Benefits paid | (91) | (29) |
| Administration expenses | (5) | (5) |
| Closing fair value of scheme assets | 3,361 | 3,335 |

Combined actuarial losses of £1,743k as referenced in the Statement of Financial Activities consist of £1,434k of losses on scheme liabilities and £309k on scheme assets, as displayed above.

21. Operating lease commitments

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

| Group and Academy | 2020 £000 | Other 2019 £000 |
|-----------------------|--------------|-----------------------|
| Amounts payable: | | |
| Within 1 year | 34 | 11 |
| Between 1 and 5 years | 60 | - |
| Total | 94 | 11 |

22. Members' liability

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

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

2020 2019

AVONREACH ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. Related party transactions (continued)

| | £000 | £000 |
|----------------------------------|-------------|-------------|
| Clive Corbett as EO of the Trust | 12 | 12 |

The above expenditure was provided with regards to the position as EO of the Trust rather than as a Trustee.

A balance of £1,000 (2019: £Nil) was owed to the above related party at the year end.

24. Principal subsidiary

Pershore High School Trading Limited

| | |
|-----------------------------|---------------------------------------|
| Subsidiary name | Pershore High School Trading Limited |
| Company registration number | 07685911 |
| Basis of control | Shareholders and shared directorships |
| Equity shareholding % | 100% |

| | |
|--|-----|
| Total assets as at 31 August 2020 | £ - |
| Total liabilities as at 31 August 2020 | £ - |
| Total equity as at 31 August 2020 | £ - |

| | |
|---|----------|
| Turnover for the year ended 31 August 2020 | £ 22,941 |
| Expenditure for the year ended 31 August 2020 | £ 6,737 |
| Profit for the year ended 31 August 2020 | £ 16,204 |

Pershore High School Trading Limited, subsidiary of Avonreach Academy Trust, is exempt from the requirement of audit under s479a of the Companies Act 2006.