

Company Registration No. 7668955 (England and Wales)

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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COMPANIES HOUSE

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

Members

R Holland (until 31 May 2020)
G Munns
S Collins (from 5 May 2020)
P Parry (from 5 May 2020)
T Peacock (from 5 May 2020)
L Shorten (from 5 May 2020)

Trustees

S Fell (Headteacher and Accounting Officer) (Resigned 31 May 2020)
M Hart (Resigned 31 May 2020)
R Holland
C Kendall (Resigned 31 May 2020)
N Kemp (Resigned 31 May 2020)
G Munns (Resigned 31 May 2020)
K Stocker (Resigned 31 May 2020)
J Théodore (Resigned 31 May 2020)
M Field (Resigned 17 September 2020)
M Green
M Kenny (Resigned 31 May 2020)
A Killeen (Resigned 21 November 2019)
P Rolfe (Resigned 31 May 2020)
O Schutz (Resigned 31 May 2020)
S Amantea-Collins (Appointed 1 June 2020)
S Bryan (Appointed 1 June 2020)
P Dickens (Appointed 1 June 2020)
O Flack (Chair of Trustees) (Appointed 1 June 2020)
G Holt (Appointed 1 June 2020)
C Moore (Appointed 2 June 2020)
P Parry (Appointed 1 June 2020)
T Peacock (Appointed 1 June 2020)
M Perrett (Appointed 1 June 2020)
L Shorten (Appointed 1 June 2020)
S Kelly (Chief Executive Officer and Accounting Officer) (Appointed 1 June 2020)

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

Senior management team

- Headteacher, Chief Executive Officer and S Kelly
Accounting Officer
- Chief Financial Officer (from 1 June 2020 C Bianco
to 31 December 2020)
- Chief Financial Officer (from 1 January M Lavelle
2020)
- Headteacher and Accounting Officer (AO S Fell
to 31 May 2020)

- Deputy Headteacher G Billin
- Chief Financial Officer and Business M Boyle
Manager (CFO to 31 May 2020)

- Assistant Headteacher A Martin
- Assistant Headteacher M Munshi
- Assistant Headteacher T Southall
- Assistant Headteacher G Russon
- Headteacher J Hughes
- Headteacher A Freaks
- Headteacher J Boyle

Company secretary M Boyle

Company registration number 7668955 (England and Wales)

Registered office Harlington Upper School
Goswell End Road
Harlington
Bedfordshire
LU5 6NX

Academies operated	Location	Chief Executive Officer
Harlington Upper School	Harlington	S Fell
Arnold Academy	Barton-le-Clay	S Kelly
Parkfields Middle School	Toddington	J Hughes
Ramsey Manor Lower School	Barton-le-Clay	A Freaks
Westoning Lower School	Westoning	J Boyle

Independent auditor RSM UK Audit LLP
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

Bankers National Westminster Bank plc
81 High Street
Bedford
MK40 1YN

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Wrigleys
19 Cookridge Street
Leeds
West Yorkshire
LS2 3AG

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT

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

Harlington Upper School operated as a single academy trust from 1 September 2019 to 31 May 2020, and then converted to a multi-academy trust joined by Arnold Academy, Parkfields Middle School, Ramsey Manor Lower School and Westoning Lower School. On 5 June 2020 the legal entity, company number 7668955 previously known as Harlington Upper School changed its name to The Pyramid Schools Trust. This annual report and financial statements include information for Harlington Upper School only from 1 September 2019 to 31 May 2020 and for all five schools and the overarching trust from 1 June 2020.

The Academy Trust operates Upper, Middle and Lower school academies for pupils aged 4-19 serving a catchment area in Bedfordshire. It has a pupil capacity of:

School	Pupil capacity	On roll as at 31 January 2020
Harlington Upper School	900 (years 9-11) plus large Sixth Form	1183
Arnold Academy	720	688
Parkfields Middle School	452	469
Ramsey Manor Lower School	300	293
Westoning Lower School	150	100

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 The Pyramid Schools Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Pyramid Schools Trust.

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

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 purchases insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The cost of this insurance is included in the total insurance cost as shown in the financial statements. The limit of cover is currently £10m under the RPA insurance arrangements.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. For the period 1 September 2019 to 31 May 2020 the Harlington Upper School Trust Board comprised of 6 parent governors elected by and from the parent body, 2 staff governors elected by the staff, 1 ex-officio governor (Headteacher) and 4 governors appointed by the Members of the Trust.

From 1 June 2020 The Pyramid Schools Trust Board comprised 5 Members, 7 Trustees appointed by the Members of the Trust and 1 ex-officio trustee (Chief Executive Officer).

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex-officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience and will be tailored specifically to the individual. Where necessary, induction will include training on educational, legal and financial matters. All new Trustees will undertake a tour of the Academy Trust, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as Trustees.

Organisational structure

The management structure of Harlington Upper School was as follows:

- The Academy Trust Board
- Trustees' committees and working parties as necessary
- The Academy Senior Management team (Headteacher, Deputy Head, Business Manager, Assistant Heads)

The management structure of The Pyramid Schools Trust consists of:

- The Trust Board
- Trustees' committees and working parties as necessary
- Local Governing Boards of the five school
- The Trust Senior Management Team (Chief Executive Officer, Chief Financial Officer)

The Academy Trust Board is responsible for setting the overall strategic direction of the multi academy trust, monitoring performance against key performance indicators, approving the annual budget, maintaining financial stability and reviewing the Trust's policies and procedures including those that provide internal control and mitigate risk.

The Local Governing Boards are responsible for monitoring the standards and performance of their schools and report regularly to the Board of Trustees.

The Accounting Officer role is fulfilled by the Chief Executive Officer.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration is set in accordance with the national pay scales published in the School Teachers Pay and Conditions document (for teaching staff) and the National Joint Council (for non-teaching staff). This is reviewed annually, following completion of the performance management cycle. A trustees Pay Committee is established to review and agree performance related pay progression recommendations. A separate trustees committee is established to review the performance management of the Chief Executive Officer and the Headteachers and agree remuneration, in accordance with published pay scales and appropriate benchmarking data.

Trade Union Facility Time

No employees were granted facility time to carry out work associated with their school union representative duties.

Related parties and co-operation with other organisations

Prior to 1 June 2020 Harlington Upper School was an associate member of the Harlington Area Schools Trust (HAST) which comprised the Upper School, the 2 Middle Schools and 7 Lower Schools in the Harlington pyramid.

On 1 June 2020, the Department for Education approved the formation of a multi academy trust, known as The Pyramid Schools Trust (PST) which included Harlington Upper School together with four other local schools from the Harlington Area Schools Trust (HAST). The intention is for HAST to be wound up in due course and the assets distributed as appropriated.

Engagement with Employees (including disabled persons)

There is a requirement for Academy Trusts with more than 250 employees to include a statement in their trustees report summarising action taken during the period to introduce, maintain or develop arrangements aimed at engaging with employees. In this regard, the Trust and the predecessor schools and academies, have endeavoured to achieve this through:

- providing employees with information on matters of concern to them within briefings, meetings, through web site information, work emails and staff handbooks;
- consulting employees and their representatives regularly so that the views of teachers, support, admin and premises staff can be considered in making decisions which are likely to affect their interests through recognising trade unions and providing open access to staff, in this respect. This has included the TUPE process for the newly converted academies in the Trust;
- encouraging the involvement of employees in the school/ academy performance through linking performance management objectives with the school business plans;
- achieving a common awareness on the part of all employees of the factors affecting the performance of the school/ academy by keeping staff up to date and fully briefed on the inspection and assessment regulations as they apply to their setting;
- updating and reviewing its policies in respect of applications for employment with the Trust from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

Harlington Upper School (until 31 May 2020)

The Academy objective, as set out in its Articles of Association, is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In accordance with this document, the Academy has signed a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies:

- a. the Academy has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum);
- b. the Academy provides education for pupils of different abilities;
- c. the Academy provides education for pupils who are wholly or mainly drawn from the area in which the Academy is situated.

The Pyramid Schools Trust (from 1 June 2020)

The Trust objective, as set out in its Articles of Association, is to advance, for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. In accordance with this document, the Trust has signed a funding agreement approved by the Secretary of State for Education. The funding agreement specifies:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Objectives, Strategies and Activities Harlington Upper School (until 31 May 2020)

The Governing Body strategic intent 2019-22 included the following:

- Ensure the curriculum and Schemes of Work are coherent and provide opportunities for all students, particularly disadvantaged students and those with Special Educational Needs and Disabilities (SEND) to succeed; helping students consolidate learning over the long term.
- Clarify and widely publicise/publish course content and teaching schemes, including personal development and enrichment.
- Improve school culture, fully implementing and embedding the *Harlington Way* using restorative approaches.
- Ensure the curriculum enables students' broader development including resilience and independence and prepares for life in modern Britain.
- All leaders to consider the well-being of others when decision-making.
- Ensure sound financial management underpins all planning and development.

Strategies to achieve the above included:

- Map the curriculum to ensure progression, ensuring deliberate and explicit sequencing over time to build knowledge and skills across a Key Stage.
- Teaching of SEND students is effective and secures rapid and sustained progress.
- Model and implement Restorative Approaches to implementing The Harlington Way.
- Plan to ensure expenditure matches income.
- Train staff to ensure subject knowledge, pedagogical and pedagogical content knowledge to enhance the teaching of the curriculum and the appropriate use of assessment.

The Pyramid Schools Trust (from 1 June 2020)

- To raise aspiration and educational standards to the highest they can be and significantly better than statistical neighbours.
- To put well-being, enjoyment, enrichment and pastoral care at the heart of our practice to nurture successful and productive citizens.
- To fully utilise the unique opportunities and advantages presented by our Trust structure and its member schools.
- To deliver the best education through a commitment to collaborative working, innovation and sharing of best resources and practice.
- To continue to serve the local communities of all schools in the MAT and celebrate the unique characteristics of each setting.
- To ensure all schools receive appropriate levels of support, so that no setting is left behind and all strive to continually improve.
- To recruit, retain and develop the best professionals and governors.
- To operate efficiently and provide the best possible value for money.
- To have the capacity to welcome new schools to the trust in a strategic and timely manner, to the benefit of all and detriment of none.
- To work in partnership with the local authority, employers, education and other organisations to ensure the MAT is responsive and continues to innovate and adapt to the needs of its pupils, community and the wider world.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Objectives, Strategies and Activities (continued)

Due to school closures during the COVID-19 pandemic, strategies to achieve the above have been carried forward to the following Academic Year.

Public benefit

The Academy's Trustees have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers or duties. In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

The following paragraphs in the strategic report present a review of the significant activities undertaken by the Academy Trust during the period to further its charitable purposes for public benefit.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Academic Results 2019-20

As part of steps taken to fight the spread of coronavirus (COVID-19), the government announced that all exams due to take place in schools in England in summer 2020 were cancelled and that no school or college level educational performance data based on tests, assessments or exams for 2020 would be published. This included GCSE, A Level, BTEC and SATS assessments.

Harlington Upper School GCSE and A Level

The A level GCSE results followed a most unusual and sometimes challenging year for schools and students nationally. Teachers provided centre assessed grades and the exam boards allocated grades. The grades were the culmination of three/two years of hard work at Harlington and were very well deserved. Harlington Upper School students showed just how dedicated and resilient they are and were ready to take up their hard-earned university, sixth form and college places or move on to apprenticeships and employment.

GCSE Headlines

- % 5+ grades at 9-4 including English and Maths 79%
- % 4+ grades at 9-4 including English and Maths 60%

A Level Headlines

- Average Grade B-
- 82 out of 91 students who applied gained a place at their first choice university
- 3 students gained a place at Oxbridge

Other Achievements

Trips and Visits - Trips and visits are an essential feature of school life. Prior to the closure of schools in March 2020, students visited Switzerland and Iceland; numerous theatre, gallery and museum visits, fieldwork in Bournemouth and Devon, science and engineering visits to Oxford, Cambridge and Warwick Universities and The Skills Show. The Academy has a strong Duke of Edinburgh Award programme at Bronze, Silver and Gold level.

Performing Arts – many musical and drama events have taken place including performances of "Private Peaceful" and regular music and dance showcases and art exhibitions.

Bake-Off - The annual BakeOff competition took place in October, involving mixed aged teams from the Upper, Middle and Lower schools in the Harlington pyramid with a Halloween theme.

Charity Fundraising – through the House and Sixth Form system, students raised almost £3,000 for a variety of different charities including Papyrus, Teenage Cancer Trust and Keech Hospice.

Extra-curricular activities are many and varied including football, cricket, athletics, badminton, rugby, rounders, table tennis, chess, debating and creative writing.

The special nature of the school is based on an emphasis on quality in all that we do the rich extra-curricular life and positive relationships founded on mutual respect within the local community. A positive learning environment is created in which all students can realise their full potential. High standards of work, conduct and appearance are expected, and the school is encouraging and supportive towards all students.

The Pyramid Schools Trust

Following the closure of schools in March 2020 due to the COVID-19 pandemic, Trust schools were successful in providing remote learning opportunities for all pupils and managing the return to school of all pupils from September. These experiences enabled schools to provide a much-improved delivery of remote learning offerings during the subsequent second closure of schools in January 2021.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Financial review

Financial Position

The financial position of the Academy Trust is detailed in the following pages.

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent and capital grants, the use of which is restricted to particular purposes.

The grants received during the period and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

Capital grants received from the DfE during the period amounted to £25,021 and are shown as restricted income in the fixed asset fund, which is reduced by annual depreciation over the expected useful life of the asset.

Recurrent grants of £8,481,464 (excluding capital grant) were received from the DfE, Local Authority and other Government bodies. Expenditure on educational activities covered by these grants amounted to £8,487,050.

Unrestricted income (excluding transfers in from schools and academies) and expenditure in the period amounted to £528,858 and £345,737 respectively.

The in-year surplus figure of £15,350,770 (including transfers in from converting schools and academies of £15,817,759) was represented by the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds.

To achieve a balanced budget, the target is for staff costs to be below 80% of revenue income.

Financial and risk management objectives and policies

The Academy operates systems of internal financial control and checks and these are examined periodically by the Academy's auditor and through the Academy's system of internal control. Management accounts and cashflow forecasts are prepared each month which are monitored by the Accounting Officer and the Trustees.

Reserves policy

The Academy Trust Board reviews the level of reserves regularly. This review includes information about income and expenditure streams, the need to match income with commitments and investments. It is the Trustees' policy to use unrestricted reserves for educational purposes, both present and future in line with the Academy's strategic plan. Unrestricted funds as at 31 August 2020 amounted to £604,332.

Although the Academy Trust currently has a deficit under the Local Authority Pension Scheme, this is not a liability which has an immediate cash flow impact and therefore we will continue to monitor the level of this liability once the employer's contribution rate is set at that which is required to reduce the deficit.

The Academy Trust's reserves policy is to maintain a working balance of between £250,000 and £750,000 in liquid funds that are available immediately. For the year ending 31 August 2020, balances totalling £1,339,894 were available in instant access Bank accounts.

Having taken account of the risks to which the Academy Trust is exposed, the trustees consider the current level of reserves to be appropriate. Unrestricted and Restricted Reserves at the end of the period amounted to £1,249,287.

Investment policy

The Trustees have authorised the use of short term deposit accounts and notice deposit accounts in respect of cash held which is surplus to immediate requirements, provided that investment risk is spread amongst a variety of suitable financial institutions.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

Harlington Upper School

The OFSTED Inspection of March 2019 rated the school as Good. OFSTED inspectors said that the Headteacher and the senior team have created a culture of high expectations that every pupil, regardless of their background or circumstances, can succeed. The Academy has ensured that these aspirations have been translated into strong achievement and outcomes have improved since the last inspection

The attendance of students is good – data shows that the percentage of attendance in line with national averages and persistent absence is slightly better than the national average. Trend data shows attendance to be stable and improving over time. Fixed term exclusions are significantly lower than that of all secondary schools. Incidents of bullying, discriminatory and prejudicial behaviour are very rare.

A significant percentage of the budget continues to be invested in recruiting and maintaining high quality staff. Harlington Upper School uses the following key performance indicators for budget monitoring and financial planning:

Key performance indicators (continued)

	2017-18	2018-19	2019-20
Total Staff costs to Total ESFA Revenue Income (%)	76.65	81.0	80.0
Average Teacher Cost (£)	£51,659	£53,316	£59,657
Pupil/Teacher Ratio	12.26	15.31	17.63

From 1 September 2020 the Key Performance indicators will include information about all of the schools in The Pyramid Schools Trust.

The Pyramids Schools Trust

Arnold Academy - The OFSTED Inspection of 2017 rated the school as Good.

Parkfields Middle School - The OFSTED Inspection of 2019 rated the school as Outstanding.

Ramsey Manor Lower School - The OFSTED Inspection of 2019 rated the school as Requires Improvement.

Westoning Lower School - The OFSTED Inspection of 2019 rated the school as Good.

Going concern

After making appropriate enquiries, including drawing up income and expenditure budgets for the three years to 31 August 2024 and cashflow forecasts for the year ended 31 August 2021, and reviewing expected pupil numbers, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Although Covid-19 has had a great impact on the operations of the school, the financial impact has not been significant so far. There has been a reduction in additional income such as for lettings, but the majority of the Trust's funding is still in place, and there have not been significant additional costs incurred. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The budget for the 2020-21 academic year has been set and agreed by the trustees and the positive financial position is expected to be maintained.

In order to maintain and develop the ethos and vision of the Trust the key priorities for 2020-21 include:

- Developing best practice for remote learning in all schools and ensuring that vulnerable students continue to be well-supported and are not further disadvantaged during lockdown arrangements
- Developing MAT and school Recovery Plans
- Developing a central team to support school improvement and governance in the first instance
- Providing support for schools dependent upon need
- Alignment of finance, compliance and governance structures
- Building the relationships and sharing of personnel and practice across Trust schools

Principal risks and uncertainties

The risk register is reviewed by the Academy Trust Board at least annually. Risks included on the register are varied but include strategic, operational, financial, compliance and reputational risks. The Trustees have assessed the major risks to which the Academy is exposed and are satisfied that systems are in place to mitigate its exposure to those risks.

Uncertainty about government funding remains a risk. When coupled with nationally agreed pay rises, this means that budgets will become increasingly tight in the future.

Regular monthly monitoring of financial information indicated that the rate of reduction to expenditure was not in line with fall in income and as a result a staff restructuring process was undertaken during the year.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, the Academy is able to meet its known annual contribution commitments for the foreseeable future and thus the risk is minimised.

The risks associated with the extensive period of school closure and subsequent lockdown arrangements which require the delivery of remote learning during the ongoing Covid-19 pandemic are uncertain and change regularly. Individual schools are required to present and continually review their plans and activities during this time and share best practice with appropriate support from the Trustees.

A post-Covid recovery plan will be a priority for the Trustees when developing the PST's action plan for 2021 and beyond, to include the management of financial risks. The impact and outcomes resulting from the pandemic are reported at every meeting of Trustees.

Fundraising

As a Private Finance Initiative school, the Harlington Upper School is unable to raise additional funds through letting of the facilities. Fundraising is therefore generally limited to activities to support various charities and a small amount of sponsorship from local companies to purchase sports kit and prizes for the annual "Bake Off" competition. If a specific need arises to generate funds for a particular educational project, then a variety of methods will be used including donations, Gift Aid and small fundraising activities. Support for these activities will be sought through the Academy Trust's social media feeds, local advertising and newsletters.

The other four schools in the trust are able to raise additional funds through lettings, however this is likely to be limited in 2020-21 due to the restrictions imposed for the facilities to be COVID secure.

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

TRUSTEES' REPORT (CONTINUED)

AUDITOR

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

Statement as to disclosure of information to auditor

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

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 14 April 2020 and signed on its behalf by:



O Flack
Chair of Trustees

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Pyramid Schools Trust (Formerly Harlington Upper School) and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees of Harlington Upper School has formally met seven times during the period to 1 June 2020. Subsequent to this date the Board of Trustees of The Pyramid Schools Trust has formally met twice during this period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
S Fell (Headteacher and Accounting Officer) (Resigned 31 May 2020)	7	7
M Hart (Resigned 31 May 2020)	6	7
R Holland	8	9
C Kendall (Resigned 31 May 2020)	3	7
N Kemp (Resigned 31 May 2020)	7	7
G Munns (Resigned 31 May 2020)	7	9
K Stocker (Resigned 31 May 2020)	5	7
J Theodore (Resigned 31 May 2020)	3	7
M Field (Resigned 17 September 2020)	4	9
M Green	8	9
M Kenny (Resigned 31 May 2020)	7	7
A Killeen (Resigned 21 November 2019)	1	2
P Rolfe (Resigned 31 May 2020)	1	7
O Schutz (Resigned 31 May 2020)	0	7
S Amantea-Collins (Appointed 1 June 2020)	2	2
S Bryan (Appointed 1 June 2020)	2	2
P Dickens (Appointed 1 June 2020)	2	2
O Flack (Chair of Trustees) (Appointed 1 June 2020)	2	2
G Holt (Appointed 1 June 2020)	2	2
C Moore (Appointed 2 June 2020)	2	2
P Parry (Appointed 1 June 2020)	2	2
T Peacock (Appointed 1 June 2020)	0	2
M Perrett (Appointed 1 June 2020)	2	2
L Shorten (Appointed 1 June 2020)	0	2
S Kelly (Chief Executive Officer and Accounting Officer) (Appointed 1 June 2020)	2	2

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

For Harlington Upper School, new Governance arrangements were introduced in Spring 2014 when the structure of Board meetings supported by committees was streamlined to provide a more efficient and focused approach. As a result, the committees were disbanded, and the responsibilities previously delegated to them are now retained by the main Board, which meets more regularly. Exceptions exist for Pay, Audit and Appraisal and for the Headteacher's Performance Management, and occasional working parties may be created to consider specific issues in greater depth. Trustees accompany the Academy's Management Team on regular monitoring visits. All report back to the main Board at the next opportunity. Performance against KPI's are reviewed and monitored at Board meetings, including data about exclusions, pupil attendance, student behaviour, financial performance, staffing data and health and safety.

Since the formation of the multi academy trust in June 2020, a more conventional structure of a Trust Board with formalised committees for Finance and Resources (to include Audit) and Quality of Education established. The Board and committees will meet twice each term.

Upon the formation of the multi academy trust in June 2020, the Trust Board carried out a skills audit to ensure that its composition was balanced with expertise covering the areas of its responsibility. The Board has also established two Sub-Committees for (a) Finance and Resources (to include Audit) and (b) Quality of Education. The Board and Sub-Committees will meet twice each term.

Harlington Upper School

The Business Committee is a sub-committee of the main board of trustees. Its purpose is to:

- To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- Major issues will be referred to the full governing body for ratification.
- To fulfil the purposes of an Audit Committee
- To fulfil the purposes of a Pay Committee

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Fell (Headteacher and Accounting Officer) (Resigned 31 May 2020)	3	3
R Holland	3	3
G Munns (Resigned 31 May 2020)	2	3
M Green	3	3
M Kenny (Resigned 31 May 2020)	3	3

Review of value for money

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

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

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

Harlington Upper School

- A curriculum-led financial planning review of the curriculum and resource allocation to reduce costs. This process included a review against comprehensive benchmarking data, to assess capacity in the timetable and staffing structure. Following this review efficiencies were made to the way in which staff were allocated and some staff not replaced.
- a review of all non-staffing expenditure, including contracts and purchasing, to reduce costs.

The Pyramid Schools Trust

- Since the schools were largely closed during the period 1 June 2020-31 August 2020 during the COVID-19 pandemic, no opportunities to review value for money emerged.
- This will be a focus for 2020-21

The purpose of the system of internal control

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

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the 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 the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- use of benchmarking data;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;
- compliance with the requirements of the Academies Financial Handbook.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

The Board of Trustees has considered the need for a specific internal audit function and has decided:

Harlington Upper School

- not to appoint an internal auditor. However the Trustees have appointed Mrs C Bianco ACA, the Business Manager of the Harlington Area Schools Trust to perform a peer review in November 2019.
- To use appropriate external professional bodies to review particular areas of risk.

The Pyramid Schools Trust

- not to appoint an internal auditor. However the Trustees have appointed Mrs M Boyle, the Business Manager of Harlington Upper School to perform a peer review for the four schools who joined the Trust on 1 June 2020. Whilst this was not strictly an independent review, it provided Trustees with some assurance of the procedures followed by the joining schools, pending an independent peer review once school life had returned to normal.
- To use appropriate external professional bodies to review particular areas of risk

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

- testing of payroll systems
- testing of purchase systems
- review of risk management systems
- testing of bank reconciliations
- compliance with the requirements of the Academies Financial Handbook and the GDPR processes.

On an annual basis the peer reviewer reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The disruption to school processes in view of the Covid-19 pandemic and the closure of schools for a significant period has prevented further peer reviews during the year under review.

The checks and reviews carried out by external professional bodies included:

- opinion on the robustness of the use of online banking (by NatWest Corporate Banking Manager)
- opinion on the risk assessment for the reopening of schools during the COVID-19 pandemic (by Galliford Try Facilities Manager with IOSH qualification)
- opinion on the controls associated with remote home working linked to cyber security (by ACS IT supplier)

Going forward, given the size and nature of The Pyramid Schools Trust, it is the intention of the Harlington Upper School Audit Committee that an internal audit service is bought in from an external provider. An early appointment will be made and a programme of work agreed to enable the restoration of a full internal audit function.

Review of effectiveness

As accounting officer up to 31 May 2020, Mr S Fell, Headteacher, has responsibility for reviewing the effectiveness of the system of internal control. From 1 June 2020, Mr S Kelly has this responsibility. During the period in question the review has been informed by:

- The work of the external auditor
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework
- The work of the external professional bodies as outlined above.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

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

Approved by order of the Board of Trustees on 14 April 2021 and signed on its behalf by:



O Flack
Chair of Trustees



S Kelly
Chief Executive Officer and Accounting Officer

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



S Kelly
Accounting Officer

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Pyramid Schools Trust (Formerly Harlington Upper School) for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 14 April 2021 and signed on its behalf by:



O Flack
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

Opinion

We have audited the financial statements of The Pyramid Schools Trust (Formerly Harlington Upper School) (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL) (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk, IP32 7FA
15 April 2021

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Income and endowments from:							
Donations and capital grants	4	176,647	30,500	25,021	-	232,168	92,899
Donations - transfer from local authority on conversion	27	380,125	(3,101,000)	12,611,268	-	9,890,393	-
Donations - transfer of existing academy into the trust	28	268,916	(1,285,281)	6,943,731	-	5,927,366	-
Charitable activities:							
- Funding for educational operations	5	349,184	8,253,228	-	-	8,602,412	6,394,663
Investments	6	3,027	17	-	-	3,044	6,917
Total		1,177,899	3,897,464	19,580,020	-	24,655,383	6,494,479
Expenditure on:							
Charitable activities:							
- Educational operations	8	345,737	8,763,050	195,826	-	9,304,613	7,312,382
Total	7	345,737	8,763,050	195,826	-	9,304,613	7,312,382
Net income/(expenditure)		832,162	(4,865,586)	19,384,194	-	15,350,770	(817,903)
Transfers between funds	18	(639,717)	639,717	-	-	-	-
Other recognised gains/(losses)							
Actuarial losses on defined benefit pension schemes	24	-	(1,140,000)	-	-	(1,140,000)	(440,000)
Net movement in funds		192,445	(5,365,869)	19,384,194	-	14,210,770	(1,257,903)
Reconciliation of funds							
Total funds brought forward		411,887	(1,774,176)	2,440,669	12,630	1,091,010	2,348,913
Total funds carried forward		604,332	(7,140,045)	21,824,863	12,630	15,301,780	1,091,010

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		21,799,842		2,440,669
Current assets					
Debtors	14	311,746		101,167	
Cash at bank and in hand		1,339,894		652,670	
		1,651,640		753,837	
Current liabilities					
Creditors: amounts falling due within one year	15	(308,652)		(318,496)	
Net current assets			1,342,988		435,341
Total assets less current liabilities			23,142,830		2,876,010
Creditors: amounts falling due after more than one year	16		(56,050)		-
Net assets before defined benefit pension scheme liability			23,086,780		2,876,010
Defined benefit pension scheme liability	24		(7,785,000)		(1,785,000)
Total net assets			15,301,780		1,091,010
Funds of the Academy Trust:					
Restricted funds	18				
- Restricted fixed asset funds			21,824,863		2,440,669
- Restricted income funds			644,955		10,824
- Pension reserve			(7,785,000)		(1,785,000)
- Endowment funds			12,630		12,630
Total restricted funds			14,697,448		679,123
Unrestricted income funds	18		604,332		411,887
Total funds			15,301,780		1,091,010

The financial statements on pages 24 to 51 were approved by the Board of Trustees and authorised for issue on 14 April 2021 and are signed on their behalf by:



O Flack
Chair of Trustees

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		488,870		(571,738)
Cash funds transferred on conversion			170,289		-
			<u>659,159</u>		<u>(571,738)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		3,044		6,917	
Capital grants from DfE Group		25,021		92,899	
Purchase of tangible fixed assets		-		(55,294)	
			<u>28,065</u>		<u>44,522</u>
Net cash provided by investing activities			<u>28,065</u>		<u>44,522</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			<u>687,224</u>		<u>(527,216)</u>
Cash and cash equivalents at beginning of the year			652,670		1,179,886
Cash and cash equivalents at end of the year			<u><u>1,339,894</u></u>		<u><u>652,670</u></u>

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

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

1 Accounting policies

General information

The Pyramid Schools Trust (Formerly Harlington Upper School) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

Basis of preparation

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

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

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

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the uncertainty presented by Covid-19, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due.

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

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Conversion to an academy trust

The conversion from three state maintained schools into the Academy Trust involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from Parkfields Middle School, Ramsey Manor Lower School and Westoning Lower School on conversion to the Academy Trust have been included at their fair value. The land and buildings of Parkfields Middle School were held by Harlington Area Schools Trust until the transfer when the school joined the Academy Trust. The fair value has been derived based on that of equivalent items. The fair value of land and buildings included has been derived based on depreciated replacement cost data provided by the local authority. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

Transfer of existing academies into the academy trust

The transfer of Arnold Academy into the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred from Arnold Academy to the Academy Trust have been valued at their fair values. The fair value has been derived based on that of equivalent items and further details on the value attributed to land and buildings are included in note 13. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer to the academy trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

Income

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

Grants

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

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

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, 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 general fund.

Other income

Other income is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold Land	Not depreciated
Freehold Buildings	See below
Leasehold Land	Straight line over the life of the lease
Leasehold Buildings	Straight line over 30 years
Leasehold improvements	Straight line over 30 years
Computer equipment	20% - 25% reducing balance
Plant and machinery	Straight line over 15 years
Motor vehicles	20% reducing balance

Harlington Upper School does not depreciate freehold buildings. Arnold Academy depreciates freehold buildings over 25.78 years. Parkfield Middle School depreciates freehold buildings over 50 years.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets and liabilities

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

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

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose. The balance also represents the net book value of tangible fixed assets held by the Academy Trust.

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

Endowment funds represent funds which must be held permanently by the Academy Trust. Income arising can be used in accordance with specific restrictions imposed.

Agency Arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

Employee benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

3 Statement of financial activities - comparative year information

Year ended 31 August 2019	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019
	£	£	£	£
Income and endowments from:				
Donations and capital grants	-	92,899	-	92,899
Charitable activities:				
- Funding for educational operations	314,561	6,080,102	-	6,394,663
Investments	6,893	24	-	6,917
Total	321,454	6,173,025	-	6,494,479
Expenditure on:				
Charitable activities:				
- Educational operations	236,004	7,003,235	73,143	7,312,382
Total	236,004	7,003,235	73,143	7,312,382
Net income/(expenditure)	85,450	(830,210)	(73,143)	(817,903)
Transfers between funds	(707,905)	652,611	55,294	-
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	-	(440,000)	-	(440,000)
Net movement in funds	(622,455)	(617,599)	(17,849)	(1,257,903)

4 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Capital grants	-	25,021	25,021	92,899
Other donations	176,647	30,500	207,147	-
	176,647	55,521	232,168	92,899

The income from donations and capital grants was £232,168 (2019: £92,899) of which £176,647 was unrestricted (2019: £nil), £30,500 was restricted (2019: £92,899) and £25,021 was restricted fixed assets (2019: £nil).

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	7,437,936	7,437,936	5,765,901
Other DfE group grants	-	507,523	507,523	159,561
	-	7,945,459	7,945,459	5,925,462
Other government grants				
Local authority grants	-	307,040	307,040	153,903
Other incoming resources	349,184	729	349,913	315,298
	349,184	8,253,228	8,602,412	6,394,663

The income from funding for educational operations was £8,602,412 (2019: £6,394,663) of which £349,184 was unrestricted (2019: £314,561) and £8,253,228 was restricted (2019: £6,080,102).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Interest from short term deposits	3,027	17	3,044	6,917

The income from funding for investment income was £3,044 (2019: £6,917) of which £3,027 was unrestricted (2019: £6,893) and £17 was restricted (2019: £24).

7 Expenditure

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	6,371,590	42,755	820,023	7,234,368	5,761,604
- Allocated support costs	654,878	917,913	497,454	2,070,245	1,550,778
Total support costs	7,026,468	960,668	1,317,477	9,304,613	7,312,382

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2020 £	2019 £
Operating lease rentals	604,691	575,657
Depreciation of tangible fixed assets	195,826	73,143
Net interest on defined benefit pension liability	49,000	33,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit services - statutory audit	26,000	12,975
- Other services	6,000	3,245
- Audit related assurance	3,627	3,020
	<u>3,627</u>	<u>3,020</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	344,098	6,890,270	7,234,368	5,761,604
Support costs				
Educational operations	1,639	2,068,606	2,070,245	1,550,778
	<u>345,737</u>	<u>8,958,876</u>	<u>9,304,613</u>	<u>7,312,382</u>

The expenditure on charitable activities was £9,304,613 (2019: £7,312,382) of which £345,737 was unrestricted (2019: £236,004), £8,763,050 was restricted (2019: £7,003,235) and £195,826 was restricted fixed assets (2019: £73,143).

	2020 £	2019 £
Analysis of support costs		
Support staff costs	654,878	503,870
Depreciation	153,071	-
Premises costs	764,842	692,526
Other support costs	461,827	335,142
Governance costs	35,627	19,240
	<u>2,070,245</u>	<u>1,550,778</u>

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	5,121,589	4,081,733
Social security costs	489,346	406,110
Pension costs	1,373,966	792,394
Staff costs - employees	6,984,901	5,280,237
Agency staff costs	41,567	34,417
Staff restructuring costs	-	50,516
	7,026,468	5,365,170
Staff development and other staff costs	19,595	24,146
Total staff expenditure	7,046,063	5,389,316
Staff restructuring costs comprise:		
Redundancy payments	-	29,516
Severance payments	-	21,000
	-	50,516

Staff numbers

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

	2020 Number	2019 Number
Teachers	88	77
Administration and support	105	69
Management	11	8
	204	154

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff (Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>5</u>	<u>6</u>

The Academy Trust became a MAT on 1 June 2020. The employees for the joining schools whose employee benefits exceeded £60,000 for the year to 31 August 2020, but not the three month period since 1 June 2020 have not been included in the table above. If these were to be included there would be two employees in the band £60,001 - £70,000, two employees in the band £70,001 - £80,000 and one employee in band £100,001 - £110,000.

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £769,282 (2019: £637,905).

10 Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Trustees' remuneration and expenses

During the year four (2019: three) Trustees have been paid remuneration or received other benefits from an employment with the Academy Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits were as follows:

S Fell (Headteacher and Accounting Officer) received remuneration of £88,005 in the period 1 September 2019 to 31 May 2020 when he resigned as a trustee (2019: £109,332) and pension contributions of £20,840 (2019: £18,018).

N Kemp (staff governor) received remuneration of £35,489 in 2020 (2019: £46,052) and pension contributions of £8,404 (2019: £7,589).

K Stocker (staff governor) received remuneration of £35,489 in 2020 (2019: £46,052) and pension contributions of £8,404 (2019: £7,589).

The above Trustees resigned on 31 May 2020. They all have continued their employment with the Academy Trust. The figures above only include the remuneration for the duration of acting as Trustees.

During the year, S Kelly (Chief Executive Officer and Accounting Officer) was appointed as trustee on 1 June 2020. S Kelly received remuneration of £26,555 and pension contributions of £6,288.

There were no expenses claimed by trustees during the current or prior year other than by staff governors as part of their normal employment.

12 Trustees and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year was included in the total insurance cost.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Leasehold improvements £	Computer equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost							
At 1 September 2019	1,899,309		632,456	162,990		41,533	2,736,288
Transfer on conversion	7,253,268	4,265,000			1,093,000	-	12,611,268
Transfer of school joining	6,936,012			2,025		5,694	6,943,731
At 31 August 2020	16,088,589	4,265,000	632,456	165,015	1,093,000	47,227	22,291,287
Depreciation							
At 1 September 2019			192,131	72,820		30,668	295,619
Charge for the year	89,426	24,883	42,646	18,197	18,216	2,458	195,826
At 31 August 2020	89,426	24,883	234,777	91,017	18,216	33,126	491,445
Net book value							
At 31 August 2020	15,999,163	4,240,117	397,679	73,998	1,074,784	14,101	21,799,842
At 31 August 2019	1,899,309		440,325	90,170		10,865	2,440,669

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets (Continued)

Included within the value of freehold land and buildings is a net book value amount of £4,217,745 (2019: £1,899,309) which relates to land.

14 Debtors

	2020 £	2019 £
Other debtors	299,825	58,253
Prepayments and accrued income	11,921	42,914
	<u>311,746</u>	<u>101,167</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	83,941	181,980
Other taxation and social security	55,533	-
Other creditors	61,978	13,554
Accruals and deferred income (see note 17)	107,200	122,962
	<u>308,652</u>	<u>318,496</u>

Included within other creditors is the first instalment of a Salix loan, which was awarded to Arnold Academy by the ESFA in 2018/19, with £10,190 falling due for payment within one year.

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	56,050	-
	<u>56,050</u>	<u>-</u>
Instalments not due within five years	15,286	-
	<u>15,286</u>	<u>-</u>

Included within other creditors is a Salix loan awarded by the ESFA in 2018/19. The loan is repayable in half yearly instalments of £5,095 with £56,050 being due after one year. Instalments totaling £15,286 are repayable after more than five years.

17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	-	52,759
	<u>-</u>	<u>52,759</u>

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Deferred income (Continued)

Deferred income at 1 September 2019	52,759	36,566
Released from previous years	(52,759)	(36,566)
Resources deferred in the year	-	52,759
Deferred income at 31 August 2020	-	52,759

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	7,610,339	(7,605,101)	639,717	644,955
Other DfE / ESFA grants	7,834	507,523	(515,357)	-	-
Other government grants	-	307,040	(307,040)	-	-
Other restricted funds	2,990	56,562	(59,552)	-	-
Pension reserve	(1,785,000)	(4,584,000)	(276,000)	(1,140,000)	(7,785,000)
	<u>(1,774,176)</u>	<u>3,897,464</u>	<u>(8,763,050)</u>	<u>(500,283)</u>	<u>(7,140,045)</u>
Restricted fixed asset funds					
Inherited on conversion	1,904,026	19,554,999	(146,031)	-	21,312,994
DfE group capital grants	332,889	25,021	(14,984)	-	342,926
Capital expenditure from general funds	203,754	-	(34,811)	-	168,943
	<u>2,440,669</u>	<u>19,580,020</u>	<u>(195,826)</u>	<u>-</u>	<u>21,824,863</u>
Restricted endowment fund	<u>12,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,630</u>
Total restricted funds	<u>679,123</u>	<u>23,477,484</u>	<u>(8,958,876)</u>	<u>(500,283)</u>	<u>14,697,448</u>
Unrestricted funds					
General funds	<u>411,887</u>	<u>1,177,899</u>	<u>(345,737)</u>	<u>(639,717)</u>	<u>604,332</u>
Total funds	<u>1,091,010</u>	<u>24,655,383</u>	<u>(9,304,613)</u>	<u>(1,140,000)</u>	<u>15,301,780</u>

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds (Continued)

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

General Annual Grant (GAG)

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/EFA grants

Other DfE/EFA grants include:

- Pupil Premium income, which represents an additional grant to support those students on free school meals and who are from service families. Costs incurred for this purpose, such as additional teaching and support staff expenses, have been set off against this income.
- Devolved formula capital grants, which represent the formula capital grant received from the Education and Skills Funding Agency. During the year these grants were spent on costs to maintain the academy's buildings, minor capital projects and IT equipment.
- ESFA SEN funding, which represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against the income.

Other government grants

Other government grants include:

- Pupil Premium income, which represents an additional grant to support those students on free school meals and who are from service families. Costs incurred for this purpose, such as additional teaching and support staff expenses, have been set off against this income.
- SEN funding, which represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against the income.

Other restricted funds

Other restricted funds include:

- A donation from The Harlington Area School Trust (HAST) to the Academy Trust being a contribution to support the development costs of forming a Multi-Academy Trust.

Pension reserve

The Pension reserve represents the Academy Trust's net liability in respect of the Local Government Pension Scheme.

Restricted fixed asset funds

Restricted fixed asset funds include:

- DfE/ESFA capital grants used to purchase fixed assets post conversion. The associated depreciation expense for these assets has been set against the fund.
- Funds transferred on conversion, which represent the value of the assets transferred from the local authority on conversion. The associated depreciation expense for these assets has been set against the fund.
- Capital expenditure from general funds represents fixed assets purchased in previous years from devolved formula capital grants and unrestricted income.

Restricted endowment fund

The James Stokes Smith Endowment Fund was created by a donation to the predecessor school. The income from the endowment is restricted for the purpose of encouraging and assisting children & young adults from the Parish of Eversholt to go into Higher Education or training, however the Trustees of the Fund will consider requests for financial support linked to other educational activities on an individual case by case merit.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds (Continued)

Unrestricted general funds

This fund relates to unrestricted income and expenditure which can be used for any purpose in compliance with the Academy Trust's objective.

Transfers

Transfers between funds during the year relate to fixed asset purchases from other DfE/ESFA grants, as well as unrestricted funds used for GAG expenditure.

Funds prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	5,765,901	(6,473,806)	707,905	-
Other DfE / ESFA grants	-	252,460	(189,332)	(55,294)	7,834
Other government grants	-	153,903	(153,903)	-	-
Other restricted funds	28,423	761	(26,194)	-	2,990
Pension reserve	(1,185,000)	-	(160,000)	(440,000)	(1,785,000)
	(1,156,577)	6,173,025	(7,003,235)	212,611	(1,774,176)
Restricted fixed asset funds					
Transfer on conversion	1,905,308	-	(1,282)	-	1,904,026
DfE group capital grants	349,456	-	(71,861)	55,294	332,889
Capital expenditure from general funds	203,754	-	-	-	203,754
	2,458,518	-	(73,143)	55,294	2,440,669
Restricted endowment fund	12,630	-	-	-	12,630
Total restricted funds	1,314,571	6,173,025	(7,076,378)	267,905	679,123
Unrestricted funds					
General funds	1,034,342	321,454	(236,004)	(707,905)	411,887
Total funds	2,348,913	6,494,479	(7,312,382)	(440,000)	1,091,010

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds (Continued)

Total funds analysis by academy

	2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:		
Harlington Upper School	351,988	435,341
Arnold Academy	387,162	-
Parkfields Middle School	300,683	-
Ramsey Manor Lower School	130,222	-
Westoning Lower School	11,862	-
Central services	80,000	-
Total before fixed assets fund and pension reserve	1,261,917	435,341
Restricted fixed asset fund	21,824,863	2,440,669
Pension reserve	(7,785,000)	(1,785,000)
Total funds	15,301,780	1,091,010

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Harlington Upper School	4,808,012	430,027	539,513	1,262,650	7,040,202	7,239,239
Arnold Academy	700,313	111,621	5,492	78,293	895,719	-
Parkfields Middle School	485,301	59,636	20,363	32,350	597,650	-
Ramsey Manor Lower School	275,133	35,981	7,289	31,392	349,795	-
Westoning Lower School	124,755	14,185	2,930	24,568	166,438	-
Central services	-	1,099	-	57,884	58,983	-
	6,393,514	652,549	575,587	1,487,137	9,108,787	7,239,239

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total Funds
	£	£	£	£	£
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	-	-	21,799,842	-	21,799,842
Current assets	604,332	1,009,657	25,021	12,630	1,651,640
Creditors falling due within one year	-	(308,652)	-	-	(308,652)
Creditors falling due after one year	-	(56,050)	-	-	(56,050)
Defined benefit pension liability	-	(7,785,000)	-	-	(7,785,000)
Total net assets	604,332	(7,140,045)	21,824,863	12,630	15,301,780

	Unrestricted Funds	Restricted funds: General	Fixed asset	Endowment Funds	Total Funds
	£	£	£	£	£
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	-	-	2,440,669	-	2,440,669
Current assets	511,587	229,620	-	12,630	753,837
Creditors falling due within one year	(99,700)	(218,796)	-	-	(318,496)
Defined benefit pension liability	-	(1,785,000)	-	-	(1,785,000)
Total net assets	411,887	(1,774,176)	2,440,669	12,630	1,091,010

20 Commitments under operating leases

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

	2020 £	2019 £
Amounts due within one year	632,954	587,436
Amounts due between one and five years	2,486,469	2,342,402
Amounts due after five years	6,331,823	6,035,412
	9,451,246	8,965,250

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	15,350,770	(817,903)
Adjusted for:		
Net surplus on conversion to academy	(9,890,393)	-
Net surplus on transfer of academy in the trust	(5,927,366)	-
Capital grants from DfE and other capital income	(25,021)	(92,899)
Interest receivable	(3,044)	(6,917)
Defined benefit pension scheme costs less contributions payable	227,000	127,000
Defined benefit pension scheme finance cost	49,000	33,000
Depreciation of tangible fixed assets	195,826	73,143
Movements in working capital:		
(Increase) in debtors	(210,579)	(24,467)
Increase in creditors	46,206	137,305
Stocks, debtors and creditors transferred on conversion	676,471	-
Net cash provided by/(used in) operating activities	488,870	(571,738)

22 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	652,670	687,224	1,339,894

23 Members' liability

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

24 Pension and similar obligations

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

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

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

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £876,715 (2019: £520,641).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.6% for employers and variable% for employees.

The LGPS obligation relates to the existing employees of Harlington Upper School prior to conversion to a multi academy trust and as described in note 27 it also relates to employees transferred as part of the conversion from the maintained schools, existing academy, and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations (Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	264,000	144,000
Employees' contributions	72,000	45,000
Total contributions	<u>336,000</u>	<u>189,000</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2020 by a qualified independent actuary.

	2020 %	2019 %
Rate of increase in salaries	3.25	2.50
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	<u>1.60</u>	<u>1.85</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	22.2	20.7
- Females	24.3	23.2
Retiring in 20 years		
- Males	23.4	21.7
- Females	<u>26.1</u>	<u>24.7</u>

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

	2020 Fair value £	2019 Fair value £
Equities	3,754,000	1,810,000
Bonds	890,000	407,000
Property	523,000	246,000
Other assets	<u>331,000</u>	<u>122,000</u>
Total fair value of assets	<u>5,498,000</u>	<u>2,585,000</u>

The actual return on scheme assets was £286,000 (2019: £66,000).

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	491,000	252,000
Net interest cost	49,000	33,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	19,000
Total operating charge	540,000	304,000

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	4,370,000
Obligations acquired on conversion	6,663,000
Current service cost	491,000
Interest cost	107,000
Employee contributions	72,000
Actuarial loss	1,542,000
Benefits paid	38,000
At 31 August 2020	13,283,000

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £
At 1 September 2019	2,585,000
Assets acquired on conversion	2,079,000
Interest income	58,000
Return on plan assets (excluding net interest on the net defined pension liability)	402,000
Employer contributions	264,000
Employee contributions	72,000
Benefits paid	38,000
At 31 August 2020	5,498,000

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

25 Related party transactions

Owing to the nature of the Academy Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no related party transactions in the current or prior year.

26 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year it received £14,575 (2019: £15,938) and disbursed £12,815 (2019: £15,753), with an amount of £14,197 (2019: £12,585) repayable to the ESFA at 31 August 2020 which is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £729 (2019: £737) has been recognised in income and expenditure in the Statement of Financial Activities.

27 Conversion to an academy

On 1 June 2020 the Ramsey Manor Lower School, Parkfields Middle School and Westoning Lower School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Pyramid Schools Trust (Formerly Harlington Upper School) from the Bedfordshire Local Authority for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion	
Parkfields Middle School	Toddington	1 June 2020	
Ramsey Manor Lower School	Barton-le-Clay	1 June 2020	
Westoning Lower School	Westoning	1 June 2020	

	Unrestricted funds	Restricted funds:		Total
	£	General	Fixed asset	2020
Net assets transferred:	£	£	£	£
Freehold land and buildings	-	-	7,253,268	7,253,268
Leasehold land and buildings	-	-	4,265,000	4,265,000
Other tangible fixed assets	-	-	1,093,000	1,093,000
Cash	170,289	-	-	170,289
Pension scheme deficit	-	(3,101,000)	-	(3,101,000)
Current assets	209,836	-	-	209,836
	<u>380,125</u>	<u>(3,101,000)</u>	<u>12,611,268</u>	<u>9,890,393</u>

THE PYRAMID SCHOOLS TRUST (FORMERLY HARLINGTON UPPER SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Conversion to an academy (Continued)

Funds surplus/(deficit) transferred:	Unrestricted funds	Restricted funds:		Total 2020
	£	General £	Fixed asset £	£
Fixed assets funds	-	-	12,611,268	12,611,268
LA budget funds	380,125	-	-	380,125
LGPS pension funds	-	(3,101,000)	-	(3,101,000)
	<u>380,125</u>	<u>(3,101,000)</u>	<u>12,611,268</u>	<u>9,890,393</u>

28 Transfer of existing academies into the Academy Trust

Arnold Academy

On 1 June 2020 the Arnold Academy transferred from Arnold Academy and all the operations and assets and liabilities were transferred to The Pyramid Trust (formerly Harlington Upper School) for £nil consideration. From that date Arnold Academy (registered number 07670723) ceased to operate.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Net assets acquired	Transfer in recognised £
Freehold land and buildings	6,936,012
Other tangible fixed assets	7,719
Current assets	466,635
Pension scheme	(1,483,000)
Total net assets	<u>5,927,366</u>

There were no fair value adjustments required to the values reported by the transferring trust.