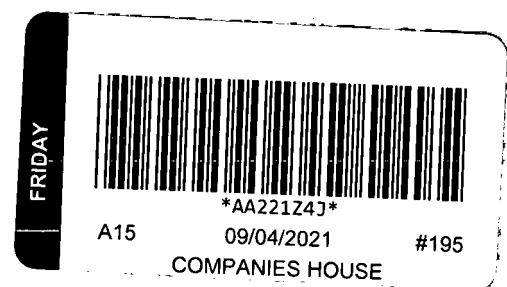


Company Registration Number: 07844587 (England & Wales)

Odyssey Trust for Education
(A company limited by guarantee)

Annual report and financial statements
for the year ended 31 August 2020



Odyssey Trust for Education
(A company limited by guarantee)

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Odyssey Trust for Education
(A company limited by guarantee)

Reference and administrative details

Members
Banji Adewumi
Roy Ashmole
Gina Mok
John Paterson
Carol Strevens

Trustees
John Paterson, Chairman
Desmond Deehan, Chief Executive Officer and Accounting Officer
Professor Stephen Hailes
Daniel Morrow (resigned 2 March 2020)
Yunita Ramgoolam
Aamer Safdar
Emily Larson (resigned 8 October 2019)
Vaheesan Sinnathamby (appointed 15 May 2020)
Alex Huda (appointed 15 May 2020)
Tom Singh Nurwain (appointed 7 July 2020)

Company registered number
07844587

Company name
Odyssey Trust For Education

Principal and registered office
Townley Grammar School
Townley Road
Bexleyheath
Kent
DA6 7AB

Company secretary
Adrian Pembroke Tallett

Chief executive officer
Desmond Deehan

Executive Team
D Deehan, Chief Executive Officer and Accounting Officer
K Joshi, Chief Financial Officer (deceased 8 April 2020)
M Ford, Interim Chief Financial Officer (appointed 11 May 2020)
H Whitmore, Director of School Improvement
A Pembroke Tallett, Interim Chief Operating Officer (appointed 18 May 2020)
N Pandya, Head of School, Townley Grammar
Z Tippey, Head of School, King Henry School (resigned 31 January 2020)
R Leitch, Head of School, King Henry School (appointed 6 June 2020)

Independent auditor
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Odyssey Trust for Education
(A company limited by guarantee)

Reference and administrative details (continued)
for the year ended 31 August 2020

Bankers	Lloyds TSB Stratford Westfield Branch PO Box 1000 BX1 1LT
	NatWest 1 Townley Road Bexleyheath Outer London DA6 7JG
Solicitors	Lee Bolton Monier-Williams Solicitors 1 The Sanctuary Westminster London SW1P 3JT
	Stone King LLP Boundary House 91 Charterhouse Barbican London EC1M 6HR

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year-end 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Odyssey Trust for Education (OTE) was formed in September 2018 to bring together a high performing selective girls grammar school and a local mixed secondary modern school. It was driven by the desire of the leadership and governors of Townley Grammar to have a greater impact on the lives and life chances of young people in the community. At its heart is a belief in the transformational power of a high-quality education, the value of diversity and the need for collaboration if we are to change lives and change the world.

The Trust derives its name from the classical poem by Homer, referenced in the Tennyson poem "Ulysses" which describes the journey home of Odysseus after the Trojan War. He and his crew overcome many difficulties and challenges and the motto of the Trust is taken from the poem: "One equal temper of heroic hearts" We recognise that, like our young people, we are on a journey that will have many challenges and will often seem uncertain. This "Odyssey" is an ambitious and courageous undertaking, and we wish our students to possess that same ambition and courage, to work together to achieve their goals, to overcome their fears and to realise that it is through embracing our struggles with optimism that we truly live.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Trust..

The Trustees of Odyssey Trust for Education are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Odyssey Trust for Education Ltd.

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 2 and page 3.

b. 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.

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006, the Academy Trust maintains Trustees and Officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in connection with their acting in capacity as trustees of the Academy Trust.

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement.

The term of office for any Trustee or Governor is 4 years. The Principal's term of office runs parallel with his/her term of appointment. Subject to remaining eligible to be a particular type of Trustee and Governor, either may be reappointed or re-elected.

Members

Odyssey Trust has five Members who have the power to appoint and remove Trustees in certain circumstances, re the initial subscribers to the Trust's Articles of Association.

Trustees

The Trust has engaged with Academy Ambassadors during the year to recruit Trustees in the disciplines of marketing, law and HR.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees and Governors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters.

All new Trustees and Governors are given a tour of the Trust and the chance to meet with staff and students. All Trustees/Governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the trust.

f. Organisational structure

The Trust has established a management structure to enable its efficient running. The structure consists of two levels: The Trust Board and the Executive Team.

The Trust Board has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the trust and monitor its progress towards these objectives.

The Trust Board has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, financial matrix and terms of reference. The CEO is directly responsible for the day-to-day operation of the Trust. The Headteachers are directly responsible for the day to day running of each school and are assisted by a senior leadership team.

Trustees are responsible for the strategic vision, agreeing an annual plan and budget, monitoring the academies by use of budgets and making major decisions about the direction of the Trust, including capital expenditure and senior staff appointments.

The Chief Executive assumes the accounting officer role.

Odyssey Trust for Education
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Trustees' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

Following consultation with Browne Jacobson the review of the Chief Executive and leadership team's pay will be based on improving the educational and financial performance of the Trust. This will be reviewed annually in line with their performance review and meeting of set objectives. The Trust will also conduct an annual benchmarking exercise to help inform the Chief Executive's pay scale.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	1
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	14,501
Total pay bill	961,404
Percentage of total pay bill spent on facility time	1.51 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.00 %
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Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

There were no related party transactions in this financial year. During the year the Chief Executive Officer played an active role in developing the link with similar local selective Trust's in the borough, to share best practice and negotiation of issues of common concern such as with the local authority on the administration of selective tests. The Chief Executive Officer supported the development of a local non-selective secondary Trust. A number of connections were made when exploring the opportunities for the growth of the Multi Academy Trust.

- Bexley Association of School Leaders – Both Headteachers members.
- Local authority – Children's Young People's Improvement Partnership Board
- Headteacher Briefings
- Fair Access Panel: King Henry School has representation on the Secondary Fair Access Panel

Engagement with employees (including disabled persons)

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings. At each of the Schools, information is channelled via the SLT meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and student progress and attainment statistics when they are made available.

Equal Opportunities Policy

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees.

Disabled Persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

Engaging with Suppliers

Our suppliers are important to the trust to ensure continuity of the trust operational line through the provision of supplies need to support education deliver and operational needs.

The Board's approach includes ensuring that all supply and procurement process were fair, transparent and in line with statutory provisions. This allows for suppliers to be dealt with evenly through the development of policy and processes which facilitates this approach.

Community / wider society

The areas within which each of our schools are located act as the conduit through which the Trust's schools foster community cohesion.

The Board's considers the views of the community important to the effective operation and continuity of the trust. The process involves periodic assessment locally and centrally. This allows for the Board to better understand the impact of the trust to the community and the further development of any policy or process that ensures the continuity of the trust's positive impact.

The Board is starting a systematic process for considering each school within the Trust in detail during its annual cycle of meetings. The process of collecting the relevant material to undertake this review is collaborative and involves active engagement between an assigned Trustee and the Local Governing Board Chair. This will help ensure that the Board are relevant informed of stakeholder opinions and any relevant issues which concern its schools' communities.

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

Regulators

Regulators ensure the trust is operating within the confines of the law in the delivery of its educational provision. The Board's approach is that the Accounting Officer and designated staff retain direct operational responsibility for ensuring compliance and effective communication with the trust regulators.

Objectives and activities

a. Objects and aims

The principal object and activity of Odyssey Trust for Education is to provide a broad and balanced education for pupils of all abilities. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust.

In accordance with the articles of association, the trust has adopted a "Scheme of Government" approved by the Secretary of State.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

The Scheme of Government specifies, amongst other things, that the Trust's Academies will be at the heart of their communities promoting community cohesion and sharing facilities, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

Our strategic aims are:

- To create an organizational structure that is able to fulfill its mission in changing contexts
- Achieve the best possible outcomes for all our young people and the communities we serve
- To build strong and effective leadership and governance

We therefore have three Big Priorities:

- Financial Strength and Stability
- Improved educational outcomes across the Trust
- Recruit, Retain & Train the best people

b. Objectives, strategies and activities

Odyssey Mission Objectives

The purpose of the Odyssey Trust for Education is to broaden opportunity and drive social mobility for young people, regardless of background or ability, ensuring that no student is left behind.

Leave no student behind

Ensuring through a meaningful understanding of our communities, our students and our context that we can help them to overcome the barriers they may face now and in their futures. We achieve this by providing the fullest possible education to all by targeted support and meaningful challenge.

Serve our communities

Understanding and engaging with our communities in their richness and diversity. Students, their families and the wider community within which they live and grow.

Odyssey Trust for Education
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Trustees' report (continued)
for the year ended 31 August 2020

Objectives and activities (continued)

Address inequalities in education

Recognizing that like the wider society education both creates inequalities and helps to address them. Through bringing the full range of opportunities to all students in the Trust and developing the necessary skills, knowledge and experiences we both provide the door and the means to open it.

Create great places to work

Acknowledging that it is through our people that we achieve great things. Therefore, we invest in those that work within the Trust, we care for them and we enable them to grow.

From binary to spectrum thinking

We affirm that the problems we face are complex with multiple causes and solutions. Collaboration requires trust, understanding and an open hand. Through this we work together with common purpose.

Strategy for Achieving these objectives

We intend to achieve these objectives through building systems and structures that work and are sustainable. Investing in our people. Building exemplary Inclusion practice. Standardising and centralising essential elements. Focusing on Research and Evidence based practice and meaningful and tangible collaboration. All of this built on great leadership and governance.

c. Public benefit

The Trustees confirm that they have complied with the duty set out in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Promoting the success of the Trust

Odyssey Trust for Education is governed by its charitable objects as set out in its Articles of Association; these also set the purpose of the trust.

All decisions and activities of the trust take into account how we best deliver our long-term goals and are driven by our strategic aims. All decisions we make as a trust, from our operational teams through to the Trust Board, are made in the best interests of our pupils who are our main beneficiaries, and in the knowledge, we are accountable to them, their parents, regulators and our staff.

The Board considers that they have adhered to the requirements of section 172 of the Companies Act 2006 (the "Act") and have, in good faith, acted in a way that they consider would be most likely to promote the success of the trust for the benefit of its key stakeholders and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making. Our Trust Board consists of a broad mix of individuals from different backgrounds including educational experts plus well-established commercial successes in areas such project management, finance, accountancy and financial risk management. Our Trust Board and Local Governing Boards are made up of individuals who are also from the local communities where our schools are situated.

The Board and local governing bodies has approved a number of policies that help to ensure the safety of our pupils and staff, as well as those that ensure the integrity of our business conduct.

Upon appointment, trustees and governors are briefed on their duties and responsibilities under the Companies Act and the trust's Articles of Association and Scheme of Delegation. The Trust Board and Local Governing Boards are entitled to request from the Trust Executive Team and schools all such information they may reasonably require in order to be able to perform their duties. On-going training is available to the governors, as required, to ensure that their knowledge remains up to date and they continue to be able to discharge their duties.

For all decision making at Board level, discussion takes place around employee impact and impact on other stakeholders, such as pupils, parents and the local community. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and any potential conflicts as part of its decision-making. The Trust's Executive team and Senior Leaders ensure the Trust Board and Local Governing Boards are fully focused on the impacts to each stakeholder group.

b. Progress against our stated aims

To create an organizational structure that is able to fulfill its mission in changing contexts

Engage with local, national and international communities

The Trust began the year with multiple international engagements particularly developing ties with China. While travel was restricted during the year we have continued to forge partnership with our international partners and develop programmes including Teacher Training for Chinese teachers. KHS has particularly focused on engaging with its community through regular communications and both schools have successfully held virtual parents evenings and open events.

Setting a common vision and culture whilst maintaining local autonomy in delivery

The Trust vision has been developed and been included in the induction of new staff. A Trust website has been created and vision statements and logos revised.

Odyssey Trust for Education
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Trustees' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Generate efficiencies and freeing up school resources to allow greater focus on teaching and learning
The appointment of a COO working with CFO enabling the Trust to more efficiently plan resources.

Build a network of schools with a standardised, guaranteed offer with each with their own identity;
The two current schools within the Trust have distinct characters but with a common school day, curriculum structure and teaching standards and practice. A Central Education Team (CET) under the leadership of our Director of Education oversees Inclusion, Standards and Progress, Post 16 and Arts and Culture. These are led by Directors who work with collaborative Boards from within the Trust developing strategy, implementing improvement activity and providing quality assurance.

Centralising functions from a business perspective around finance, data, workforce
We have centralised key functions including ICT, HR, IT and Finance. We have been developing centralised data systems including common management information packages.
Achieve the best possible outcomes for all our young people and the communities we serve

Create consistent pedagogy across all schools, Quality First Teaching
The Director of Standards and Progress, part of the CET, leads the development of Teaching and Learning, utilising Trust Lead Practitioners and external agencies. Working collaboratively with the Director of Inclusion and senior teams within our schools this has ensured common practice and expectations.

Establish Research and Development teams in each school and invest in professional growth and development
Teaching and Learning teams have been recreated as Research and Development Teams within each school as part of our drive to base strategic decision on evidence based research, ensuring disciplined innovation and the best use of resources.

Develop teaching with the support of Education Boards based on active and up to date research
As above we have engaged with current research in developing our pedagogy while beginning to conduct our own research. A key element has been the inclusion of Roshenshine's principles into all teaching.

Promoting high quality, shared CPD which leads to outstanding teaching
Joint CPD sessions across the Trust has been established and dedicated time within the school week has ensured continuous and regular training and development. This has continued on line during the pandemic.

Leave no pupil behind through providing a fully inclusive education
Our Inclusion Strategy has involved the ongoing reorganisation of inclusion teams providing well trained and strategically deployed staff in schools. Our inclusion centre, Motum, was completed this year and will be fully online in the next academic year, providing specialist provision for students struggling in mainstream education.

Centralised School Improvement Teams (Pendulum Team) supporting teachers & co-ordinating an outstanding network of education leaders.
This team has now become the Central Education Team. Structures supporting school improvement have been re-designed to enable greater collaborative commitment towards Trust goals and support a shift in culture and approach towards a collective responsibility for outcomes.

The Central Education Team (CET) has been firmly established as part of the school improvement model and we have recruited four exceptional leaders to lead Collaborative Boards on the strategic direction of: Standards and Progress; Inclusion and Student Wellbeing, Arts and Culture and Post-16 and Careers. A further Collaborative Board on Curriculum and Assessment is being lead collectively by the Director of Education and the Headteachers of Trust schools.

Each Board has co-created a Strategic Implementation Plan for this academic year (SIP); progress towards this plan is being monitored by Trust Directors at 100 stage check points across the year and is a collective responsibility of all Board members. SIPs have been structured to focus attentions within the classroom, across

Odyssey Trust for Education
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Trustees' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

the Trust and beyond into our communities, recognising that school improvement goals, sustainability and financial viability will be met through partnerships and networks from both with and beyond our immediate communities.

The Director of Education and CET are working collaboratively with senior leaders from across Trust schools to develop the skills of system leadership and support the pillars of improvement set out by the CEO. This will characterize our approach to all future school improvement.

To build strong and effective leadership and governance

Focus on continual staff training and recruitment together with leadership development

Regular and frequent CPD programmes are in place for staff and during the course of this year the Trust effectively recruited highly capable and specialist staff, particularly to King Henry School which was fully staffed for the first time.

Creating local governing bodies to engage members of the local community and “reap the benefits” of their support.

Trust Schools now have a complete Governing Bodies with dedicated governors representing communities. A training programme is in place for all governors.

Recruit local governors for both schools, recruitment strategy for Trustees

An ongoing programme of recruitment for governors and Trustees continues. The Trust has introduced succession planning for Trustees, recruiting from within Local Governing Bodies where appropriate.

Create high caliber leadership teams with regular training and development

Trust schools have highly capable leadership teams. This includes the appointment of two new Headteachers in each school in addition to a wide spread of leadership positions within King Henry School. All leaders undergo training and external providers have been used to support, mentor and coach key leaders within the Trust.

Use of quality external support in key areas e.g. HR, leadership, data

The Trust has used targeted support in the areas of legal, HR, recruitment, Performance Management Reviews, Marketing, leadership training and pedagogy. We continue to use external support in specialist areas and as part of the training of our teams.

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

King Henry School

Performance KS4

	2017	2018	2019	2020
A8	36.08	37.07	36.37	38.84
P8	-0.71	-0.77	-0.88	-0.53
	% Cohort			
9-4 Eng	58%	66%	58%	64%
9-4 Maths	55%	55%	60%	62%
9-5 Eng	39%	46%	44%	46%
9-5 Maths	31%	33%	39%	40%
9-7 Eng	4%	10%	7%	7%
9-7 Maths	4%	5%	6%	7%
9-4 English & Maths	44%	49%	50%	51%
9-5 English & Maths	23%	29%	31%	30%
Ebacc Entry	5.45%	5.19%	7.46%	39.92%
Ebacc Standard 4+ in all Ebacc	4.49%	2.60%	3.39%	15.13%
Ebacc Strong 5+ in all Ebacc	3.53%	1.30%	1.36%	5.88%

A Level/BTEC Results 2020	2019	2020	2020 (CAG)
Total no. of students	91	103	100
Total no. of entries (all examinations)	142	213	183
Total Passes	121	191	179
% Pass	85.21%	89.67%	95.08%
A Level APS	18.28	22.73	32.36
Academic APS	18.28	22.73	32.36
Applied APS	25.43	26.59	28.31
Headlines			
A*/A Grades	1	7	14
A*/A %	0.70%	3.29%	7.65%
A*-B Grades	16	35	79
A*-B %	11.27%	16.43%	43.17%
A*-C Grades	39	82	129
A*C %	27.46%	38.50%	70.49%

CAGS	Figure	%
Number of increased grades	9	4%
Number of grades that have remained the same	108	49%
Number that are one grade below	57	26%
Number that are two grades below	31	14%
Number that are three/more grades below	14	6%

Odyssey Trust for Education
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Trustees' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

The academic year of 2019-20 was one of transition at King Henry School, with a new Headteacher and Senior Leadership Team recruited. The appointed leaders have a deep commitment to the Odyssey Trust vision and values and started to embark upon several key improvement strategies, working with colleagues throughout the Trust. To improve the pastoral support for students, a new House system was designed and implemented. An ambitious refurbishment programme also started in 2019-20, seeking to enhance students' learning environments. The school also responded flexibly to the COVID-19 pandemic, setting up remote learning platforms and continuing to track student engagement, progress and well-being through the KHS Online Strategy.

In addition, key changes were implemented. These included the reduction of the PAN to 300 to make the school more effective and manageable while it improves.

As part of the longer-term vision for KHS and the Trust we have been recruiting for Performing Arts staff. A stronger Performing Arts team will support both schools. As part of this strategy, we appointed a Director of Arts and Culture across the Trust. This post provides strategic direction and ensures the arts are a central part of the Trust offer.

Townley Grammar School

The new 21c curriculum is in place and working as planned; coupled with the new school day and extended CPD time on a Monday, these new structures have seamlessly been embedded into the school community. In the first part of the year international travel continued to be at the forefront of Townley life. Over the autumn term and up to February, students across the key stages visited New York, China, India and Silicon Valley in San Francisco, which provided our students the opportunity to experience cultures unlike their own and hear from truly innovative global leaders from the most inspiring tech companies. Townley Global is at the heart of our school's cultural and social enrichment and we were duly rewarded with the prestigious International School Award from the DfE

The school introduced a brand-new virtual platform in the Google Suite for Education (G-Suite), which has been successfully embedded by all staff and students and utilised effectively throughout the lockdown and continues to provide excellent remote learning provision for students self-isolating. As well as curriculum content and bespoke subject hubs, the Pastoral Hubs have facilitated support for students and our CPD hub has meant that staff have continued to receive high quality professional development, albeit virtually.

We have been able to celebrate an excellent set of outcomes, and despite the challenges the results day for A-Level presented all of our Oxbridge offers were ultimately fulfilled, and over 60% of our students were able to secure their first-place university offers.

Odyssey Trust for Education
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Trustees' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

c. Principal decisions

For the year ending 31 August 2020 the Trust consider that the following are examples of principal decisions that it made in the year. This is not intended to be an exhaustive list of board decisions but instead highlights areas of significant impact:

It was decided, following the sudden death of our CFO, to appoint two interim positions of CFO and COO thereby dividing responsibilities between operations and finance. This decision was taken to better support the activities and aims of the Trust and were made interim to enable sufficient time to recruit permanent positions.

The Trust agreed to the creation of a Central Education Team to replace the original School Improvement team. This structure has been designed to provide the capacity for the Trust to support its schools and any future schools that join the Trust.

With the departure of the Headteacher at King Henry School in January the Trust Board decided to recruit a new Headteacher and led the recruitment and appointment process with the CEO. A new Headteacher, Mr Rob Leitch, was subsequently appointed and started in the summer term. In the same period the Board of Trustees approved the appointment of Nevita Pandya, formerly Head of School at Townley Grammar School, as its new substantive Headteacher.

d. Covid-19 Disclosure

During COVID-19 Odyssey Trust for Education schools have continued to provide an educational service to schools both to those in schools and those self-isolating in line with guidance issued by the Department of Education (DfE).

The safety and wellbeing of pupils both in school has been prioritised with vulnerable pupils and families supported with visits, online meetings and daily phone calls during school closures or self-isolation periods.

The period from March to August 2020 generated uncertainty with financial forecasts. The trust incurred significant cost, but this was offset by savings in educational resources and other supplies costs. This period was also uncertain and delayed plans for staffing reviews as part of the ongoing financial planning.

A claim was made for £39,000 premises, PPE and sanitising, social distance equipment / signage made with further costs being assessed for the 2nd claim window up to Summer 2020 by 22 December on these related costs. The Trust anticipate a further £50k. There were no staff furloughed during the 2019-20 academic year.

The impact of COVID-19 has a continued effect on forward financial planning.

Each school introduced its own comprehensive COVID-19 care plan that is regularly updated by each school's senior leadership team. Since the start of the pandemic, the following have also occurred:

- The increased workload of staff to ensure that the risks associated with the transmission of COVID-19 is appropriately managed in line with government guidelines.
- Management of the challenges associated with reopening of trust schools during the partial lockdown period and the full reopening Sept 2020. These ongoing management includes devising operable staff rostering system, issues associated pupil year groups and staff absences and the risks of closure.
- Managing and addressing the ongoing impact caused by the disruption to educational outcomes for pupils (especially vulnerable and disadvantaged pupils).

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Results for the year

The majority of the Academy Trust's income arises in the form of recurrent grants from the ESFA. The use of this income is restricted to the particular purpose of the grant. The grants received from the ESFA in the year to 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year to 31 August 2020:

- Total income was £19,394,678, of which £732,605 was unrestricted income,
- Total expenditure was £22,023,359, of which:

- o Staff employment costs of £16,429,375 which represented 75% of total expenditure
- o Premises related costs of £2,394,974 which represented 11% of total expenditure
- o Energy related costs of £331,088 which represented 1% of total expenditure

The operating deficit, excluding the pension reserves adjustments, for the year ended 31 August 2020, was £2,628,681. This includes a depreciation charge for the year of £1,460,546.

The Academy Trust's level of free reserves is £652,447 as at 31 August 2020 which includes unrestricted funds of £652,447 and restricted funds £Nil. The Trust also has £19,739 of free capital reserves.

The Trustees monitor the financial position of each School individually in terms of its on-going surplus and future predicted income and expenditure, considering that educational funding is likely to reduce. The Trustees will review the position constantly to ensure that each individual school has sufficient income to operate on an efficient basis without affecting the quality of teaching and learning.

b. Deficit

The restricted fund (excluding the restricted fixed asset fund) at 31 August 2020 is in deficit by £7,478,000. This arises from the pension reserve fund which represents the Academy Trust's share of the LGPS fund deficit of £7,478,000, calculated in accordance with Financial Reporting Standard (FRS) 102 by Barnett Waddingham LLP. Employer contributions are reviewed every three years from 1 April 2020.

c. Reserves policy

A minimum of 3% of recurring government revenue grants, held in total between total unrestricted and restricted revenue funds should be deemed appropriate as minimum level of funds retained for these purposes. The trust reserves have fallen significantly at 31 August 2020, with unrestricted funds remaining of £652,447, is at 4.4% of revenue grants). The funding requirements as outlined in the going concern basis, means that a target minimum level of reserves approx. £550,000 should be established in the forward plan at future year ends. Generation of unrestricted income should continue to support this policy. The going concern basis outlines the engagement with the ESFA on funding in order to support these aims.

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Financial review (continued)

d. Investment policy

The Trust policy is to invest surplus funds in low-risk short term bank deposits with its Bank for example 32-day deposit account and Reserves accounts. This is most prudent and risk averse considering the budget constraints.

e. Principal risks and uncertainties

The Trust is exposed to the following risks:

- External Risk: Arising from the external environment, not wholly within the organisation's control, but where action can be taken to mitigate the risk
- Social Risk: change in demographics in population
- Operational Risk: Relating to delivery of current activities and building capacity and capability
- Change Risk: Created by decisions to pursue new endeavours beyond current capability

Principal risks and uncertainties identified that concern the Trust are: -

- COVID-19
- Insufficient staff to open school to run safely
- No funding from central government to meet additional costs incurred both staffing and cleaning consumables.
- Data breaches.
- Systems hacking.
- Change in PAN at King Henry School.
- Ability to secure funding from the ESFA to address legacy issues at King Henry School.
- Any increase to Local Government Pension Scheme contribution rates.
- Local Authority top slicing, via Trust's Forum, of AWPU to fund High Needs expenditure Ofsted.

Plans for future periods

The Trust plans to continue with the stated aims and objectives in the forthcoming years and will assess the longer term impact of the pandemic. A Curriculum and assessment Board will be included in the Central Education Team and will review assessment practice across the Trust together with the wider curriculum offer.

Within this The Trust will further develop the Post 16 offer building the Odyssey 6th offer which combines elements of both schools together with an exciting Sports offer. Further collaborations are expected with local providers.

Our training and development programmes will progress further providing the Odyssey Leaders programme and the Future Teachers programme. Our recruitment process will increasingly incorporate plans to create an even more diverse workforce.

Reviews of online learning will be expected to lead to a more sustainable and long term provision to exist post pandemic and will form part of the longer IT strategy.

Odyssey Trust for Education
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Going concern

The Trustees have engaged with the ESFA during the year relating to the legacy issues at King Henry School (previously Erith School). This relates to staffing structures and premises related costs since the transfer of the school into the trust, with an extremely limited ability to address during the COVID19 pandemic, lockdown and partial school closures. Also, further costs relating to COVID19 still being assessed alongside the latest ESFA guidance. A School Resource Management Advisor (SRMA) visit and subsequent report has resulted in financial support to be agreed with the ESFA, ensuring the going concern basis can be adopted in the forward plan.

With this, the trustees are satisfied that the Academy Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements. Further details relating to the adoption of the going concern basis can be found in the accounting policies.

Fundraising

The Trust does not work with professional fundraiser's or companies who carry out fundraising on its behalf.

The Trust has reviewed income generation strategies such as increasing letting's and sports facilities.

Streamline energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	4,448,087 kWh
Energy consumption break down (kWh) (optional)	
<ul style="list-style-type: none"> • gas, • electricity, • transport fuel 	
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	639.79
Owned transport – mini-buses	2.56
Total scope 1	642.35
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	223.47
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee-owned vehicles	0
Total gross emissions in metric tonnes CO ₂ e	865.82
Intensity ratio	
Tonnes CO ₂ e per pupil	0.27

Odyssey Trust for Education
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Trustees' report (continued)
for the year ended 31 August 2020

Quantification and reporting methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Funds held as custodian on behalf of others

No funds were held as Custodian Trustee on behalf of others.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

Auditor

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 12 January 2021 and signed on its behalf by:



John Paterson
(Chair of Trustees)

Odyssey Trust for Education
(A company limited by guarantee)

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Odyssey Trust for Education 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 into account the guidance in the 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 Odyssey Trust for Education 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.

The Trustees completed their annual skills audit and are working with Academy Ambassadors to recruit skilled senior professionals to address the gaps identified from the outcomes of the skills audit. The Trustees plan to engage a suitably qualified external organisation, such as the National Governance Association, to conduct a root to branch governance review in 2021.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
John Paterson, Chairman	5	5
Desmond Deehan, Chief Executive Officer and Accounting Officer	5	5
Professor Stephen Hailes	5	5
Daniel Morrow (resigned March 2020)	1	2
Yunita Ramgoolam	5	5
Aamer Safdar	4	5
Emily Larson (resigned October 2019)	0	1
Vaheesan Sinnathamby (appointed May 2020)	1	2
Alex Huda (appointed May 2020)	2	2
Tom Singh Nurwain (appointed July 2020)	2	2

The Board of Trustees received updates from the CEO and reports from Local Governing Body and Chief Financial Officer.

Audit and Finance Committee

The Audit and Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor and have oversight of responsibility for all financial matters and procedures within the Trust. Its wider remit is set out in its Term of Reference.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Yunita Ramgoolam	2	2
Aamer Safdar	2	2
Stephen Hailes	2	2
Desmond Deehan	2	2

Odyssey Trust for Education
(A company limited by guarantee)

Governance Statement (continued)

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

- We have continued to review the Curriculum offer to ensure that courses that were not financially viable have been withdrawn and to ensure that sufficient curriculum time has been allocated to those subjects that form a core element of the curriculum for our students. As a result, the post 16 offer has been reduced to match the Trust's resources. Similar action has been taken with the rest of the curriculum, phasing out Italian as an MFL option and subsequently reducing staffing.
- The Trust applied for Condition Improvement fund for Windows Phase 2 project and it was successful with its Essential Fire Protection Upgrade project which will complete end of this calendar year. All windows have now been replaced. The building is now aesthetically pleasing as well as increase in ability to reduce loss of heat.
- The Trust applied for refurbishment of Sports washroom facilities and inclusion building both were successful the washroom refurbishment was completed in summer and the inclusion building will complete in Jan 2020.
- New revenue streams have continued to be built, with expanded letting's and funding received from our participation in Trust integration programme which involves hosting international students within the Trust day for a fixed number of days.
- Restructuring support functions
- Reviewing all contracts and negotiating on contract for the Trust
- CPD across the Trust

Value for Money Financial Governance and Oversight

Value for money is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge.

The accounting officer, ensures that Odyssey Trust for Education is accountable for 'taxpayers' money and achieves 'value for money' by:

- Avoiding waste and extravagance.
- Ensuring the organisation is carefully structured.
- Ensuring the organisation has sound systems of financial governance.
- Ensuring that there are sound financial controls in place for income and expenditure and that all goods and services are procured in an open and transparent way.
- Ensuring that financial records are up to date management accounts are prepared on a regularly basis.
- Ensuring that Trustees receive management accounts regularly
- Ensuring that there are robust controls for payroll arrangements and segregation of duty for all involved in the process.
- Ensuring that segregation of duty applies within the finance department.
- Ensuring that all financial transactions represent value for money and procurement procedures are followed with particular attention paid to areas of large spending and capital projects.
- Ensuring that we have arrangements for internal audit to carry out a service that further safeguards the trustees.

Odyssey Trust for Education
(A company limited by guarantee)

Governance Statement (continued)

Review of value for money (continued)

- Ensuring that our building is let to the local community and raises additional funds in support of the development of the Trust.

The accounting officer, has ensured that the Trust's finances have been managed in a transparent and effective way and that financial records have been monitored, evaluated, reviewed and audited by our internal and external auditors.

We have identified that increased costs coupled with reduced income places the Trust in a challenging situation regarding financial stability. Much of these factors are outside the Trust's control, such as increased on-costs for staffing and changes to the funding of post 16 students. However, we have taken a robust approach to managing these challenges by continuing to review the curriculum and staffing levels and increasing numbers in the sixth form. Collaboration with other Grammar School's has enabled useful benchmarking and cost saving exercises.

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 Odyssey Trust for Education for the year 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 year 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 the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees considered the need for a specific internal audit function and decided to buy-in an internal audit service from Kreston Reeves LLP. The role is carried out by a separate department of Kreston Reeves with no connection to the external audit team, this is to ensure the reviews are carried out independently..

Odyssey Trust for Education
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Governance Statement (continued)

The risk and control framework (continued)

The board of Trustees has decided to appoint Kreston Reeves LLP to undertake the internal audit function for the trust during the period 1 September 2019 to 31 August 2020. The role includes giving advice on financial matters

and performing a range of checks on the Academy Trust's financial systems, with specific checks as follows:

- review of purchase system
- review of accounting system controls
- review of payroll system
- review of income system
- review of governance arrangements

On a semi-annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. An annual summary report is provided to the Finance Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Following the newly revised FRC Ethical Standard for Auditors, effective from 15 March 2020, Kreston Reeves LLP can no longer provide the Trust with internal scrutiny arrangements from 1 September 2020 onwards. The Trust has appointed Bishop Fleming as their new provider.

The internal reviewer on the Board of Trustees resides with the Chair of the Audit & Finance Committee. The internal reviewer's role include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Review of effectiveness

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

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

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

Approved by order of the members of the board of Trustees on 12 January 2021 and signed on their behalf by:



John Paterson
Chair of Trustees



Desmond Deehan
Accounting Officer

Odyssey Trust for Education
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all 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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

- During the period the Academy Trust suffered losses due to an internal fraud, whereby, an employee of the academy was found to have perpetrated fraudulent activity with regard to letting's facilities. The Academy Trust are currently investigating to determine the quantum of the fraud. At this time the investigation is not complete and therefore no value can be attributed.
- During the period the Academy Trust suffered an external bank fraud, whereby, a fraudulent request to update supplier payment details was made and as a result the Trust paid £234,162 to an unknown third party. £117,081 of these costs were reimbursed by NatWest bank and the remaining £117,081 is expected to be recovered via the Trusts RPA scheme.

The Academy Trust has made the necessary notifications to the Education and Skills Funding Agency and other relevant authorities and have strengthened their internal controls to prevent this from happening in the future.



Desmond Deehan
Accounting Officer
Date: 12 January 2021

Odyssey Trust for Education
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2020

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

Company law requires the Trustees to prepare financial statements for each financial . 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:

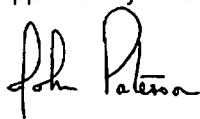
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 12 January 2021 and signed on its behalf by:



John Paterson
(Chair of trustees)

Odyssey Trust for Education
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Odyssey Trust for Education

Opinion

We have audited the financial statements of Odyssey Trust for Education (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

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 academy trust'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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

Odyssey Trust for Education
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Odyssey Trust for Education (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 trustees' responsibilities statement, the Trustees (who are also the directors of the academy trust 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Independent auditor's Report on the financial statements to the Members of Odyssey Trust for Education (continued)

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Odyssey Trust for Education
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Independent auditor's Report on the financial statements to the Members of Odyssey Trust for Education (continued)

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor).

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

21 January 2021

Odyssey Trust for Education
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Odyssey Trust for Education and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Odyssey Trust for Education during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Odyssey Trust for Education's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Odyssey Trust for Education's funding agreement with the Secretary of State for Education dated 3 March 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Odyssey Trust for Education
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Odyssey Trust for Education and the Education & Skills Funding Agency (continued)

The work undertaken to draw to our conclusions includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the Funding Agreement
- Reviewed grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed Board of Trustee minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed procurement and tendering procedures exist relating to expenditure and have been complied with.
- Considered if the Trust's governance arrangements and composition comply with the Academies Financial Handbook 2019

Conclusion

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

- During the period the Academy Trust suffered losses due to an internal fraud, whereby, an employee of the academy was found to have perpetrated fraudulent activity with regard to letting's facilities. The Academy Trust are currently investigating to determine the quantum of the fraud. At this time the investigation is not complete and therefore no value can be attributed.
- During the period the Academy Trust suffered an external bank fraud, whereby, a fraudulent request to update supplier payment details was made and as a result the Trust paid £234,162 to an unknown third party. £117,081 of these costs were reimbursed by NatWest bank and the remaining £117,081 is expected to be recovered via the Trusts RPA scheme.

The Academy Trust has made the necessary notifications to the Education and Skills Funding Agency and other relevant authorities and have strengthened their internal controls to prevent this from happening in the future.

Kreston Reeves LLP

Kreston Reeves LLP
Reporting Accountants
Chartered Accountants
Chatham Maritime

Date: 21 January 2021

Odyssey Trust for Education
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	4					
Transfer of existing academy into the Trust		-	-	-	-	25,767,564
Other donations and capital grants		13,274	-	167,927	181,201	782,323
Charitable activities	5	-	18,494,146	-	18,494,146	17,609,878
Other trading activities	6	711,683	-	-	711,683	1,018,658
Investments	7	7,648	-	-	7,648	1,286
Total income		732,605	18,494,146	167,927	19,394,678	45,179,709
Expenditure on:						
Charitable activities	8	218,276	20,344,537	1,460,546	22,023,359	21,086,634
Total expenditure		218,276	20,344,537	1,460,546	22,023,359	21,086,634
Net income/ (expenditure)		514,329	(1,850,391)	(1,292,619)	(2,628,681)	24,093,075
Transfers between funds	19	(731,935)	724,371	7,564	-	-
Net movement in funds before other recognised gains/(losses)		(217,606)	(1,126,020)	(1,285,055)	(2,628,681)	24,093,075
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	729,000	-	729,000	(2,794,000)
Net movement in funds		(217,606)	(397,020)	(1,285,055)	(1,899,681)	21,299,075

Odyssey Trust for Education
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
for the year ended 31 August 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	870,053	(7,080,980)	50,716,002	44,505,075	23,206,000
Net movement in funds	(217,606)	(397,020)	(1,285,055)	(1,899,681)	21,299,075
Total funds carried forward	652,447	(7,478,000)	49,430,947	42,605,394	44,505,075

The Statement of financial activities includes all gains and losses recognised in the year.

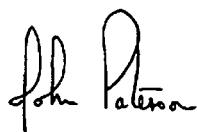
The notes on pages 35 to 64 form part of these financial statements.

Odyssey Trust for Education
(A company limited by guarantee)
Registered number: 07844587

Balance sheet
as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	49,411,208	49,957,776
Current assets			
Debtors	16	799,286	1,085,994
Cash at bank and in hand		1,097,209	2,565,062
		<u>1,896,495</u>	<u>3,651,056</u>
Creditors: amounts falling due within one year	17	<u>(1,161,809)</u>	<u>(1,619,233)</u>
Net current assets		734,686	2,031,823
Total assets less current liabilities		50,145,894	51,989,599
Creditors: amounts falling due after more than one year	18	<u>(62,500)</u>	<u>(10,524)</u>
Net assets excluding pension liability		50,083,394	51,979,075
Defined benefit pension scheme liability	27	<u>(7,478,000)</u>	<u>(7,474,000)</u>
Total net assets		42,605,394	44,505,075
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	49,430,947	50,716,002
Restricted income funds	19	-	393,020
		<u>49,430,947</u>	<u>51,109,022</u>
Restricted funds excluding pension asset	19	<u>49,430,947</u>	<u>51,109,022</u>
Pension reserve	19	<u>(7,478,000)</u>	<u>(7,474,000)</u>
Total restricted funds	19	41,952,947	43,635,022
Unrestricted income funds	19	652,447	870,053
Total funds		42,605,394	44,505,075

The financial statements on pages 31 to 64 were approved by the Trustees, and authorised for issue on 12 January 2021 and are signed on their behalf, by:



John Paterson
 (Chair of Trustees)



Desmond Deehan
 (Accounting Officer)

Odyssey Trust for Education
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	21	(761,114)	(183,080)
Cash flows from investing activities	23	(738,403)	1,775,750
Cash flows from financing activities	22	31,664	34,356
Change in cash and cash equivalents in the year		(1,467,853)	1,627,026
Cash and cash equivalents at the beginning of the year		2,565,062	938,036
Cash and cash equivalents at the end of the year	24	<u>1,097,209</u>	<u>2,565,062</u>

The notes on pages 35 to 64 form part of these financial statements

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. General information

Odyssey Trust for Education is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Townley Grammar School, Townley Road, Bexleyheath, DA6 7AB. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Odyssey Trust for Education meets the definition of a public benefit entity under FRS 102.

The presentation currency is £ sterling. The figures in the financial statements have been rounded to the nearest £1.

2.2 Going concern

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

The Trustees have engaged with the ESFA during the year to resolve the legacy issues at King Henry School (previously Erith School), which were a direct result of inefficient staffing structures and high premises costs. The Board of Trustees' and Key Management Personnel are currently working on the implementation of an approved recovery plan which will be based on the recommendations of the ESFA SRMA report.

The impact of the COVID-19 pandemic has also been assessed by the Trustees as far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the Academy Trust's activities.

However, taking into consideration the UK Government's response and its continued support of schools, the ESFA support of the Trust, as well as the Academy Trust's implementation of the recovery plan the Trustees are confident that the Trust has sufficient cash flows to ensure that it can continue to operate for the foreseeable future. On this basis the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.3 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 the funders where the asset acquired or created is held for a specific purpose.

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

2.4 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.5 Expenditure

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

- **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

2.7 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 Part 11, chapter 3 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.

2.8 Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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

Freehold land and buildings	- 8 - 50 years straight line basis
Leasehold land and buildings	- 15 - 125 years straight line basis
Furniture and equipment	- 4 - 10 years straight line basis
Computer equipment	- 3 years straight line basis
Motor vehicles	- 4 - 5 years straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

2.9 Operating leases

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

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 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.

2.13 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.15 Pensions

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

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

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

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

2.16 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments are received from the ESFA and subsequent disbursements to students are not excluded from the Statement of financial activities as the Academy Trust has control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administrative costs and this is recognised in the Statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

3. Critical accounting estimates and areas of judgement

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.

Multi-employer benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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

The Academy Trust has recognised tangible fixed assets with a carrying value of £49,411,208 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trusts' forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

3. Critical accounting estimates and areas of judgement (continued)

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 27 for further details.

4. Donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	13,274	-	-	13,274	25,795,645
Capital Grants	-	-	167,927	167,927	754,242
	<u>13,274</u>	<u>-</u>	<u>167,927</u>	<u>181,201</u>	<u>26,549,887</u>
Total 2019	<u>644,381</u>	<u>(2,511,736)</u>	<u>28,417,242</u>	<u>26,549,887</u>	

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

5. Funding for the academy trust's

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	16,517,594	16,517,594	16,623,844
Other DfE/ESFA grants	1,798,026	1,798,026	890,042
	18,315,620	18,315,620	17,513,886
Other government grants			
Local authority grants	134,526	134,526	95,992
	134,526	134,526	95,992
Exceptional government funding			
Coronavirus exceptional funding	44,000	44,000	-
	18,494,146	18,494,146	17,609,878
Total 2019	17,609,878	17,609,878	

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

- The funding received for coronavirus exceptional support covers £44,000 of additional premises, cleaning and free school meal provision costs. These costs are included in notes 8 and 9 below as appropriate.

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	138,488	138,488	185,388
Catering income	279,259	279,259	390,838
Trip income	184,181	184,181	233,491
Other income	109,755	109,755	208,941
	711,683	711,683	1,018,658

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receivable	7,648	7,648	1,286
Total 2019	1,286	1,286	

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	13,451,006	156,086	963,257	14,570,349	13,535,722
Allocated support costs	2,978,369	2,238,888	2,235,753	7,453,010	7,550,912
	16,429,375	2,394,974	3,199,010	22,023,359	21,086,634
Total 2019	15,592,235	2,091,745	3,402,654	21,086,634	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	14,570,349	7,453,010	22,023,359	21,086,634
Total 2019	13,535,722	7,550,912	21,086,634	

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	13,451,006	13,451,006	12,454,989
Depreciation	156,086	156,086	195,064
Educational supplies	355,408	355,408	318,265
Technology costs	11,000	11,000	27,895
Examination fees	241,398	241,398	321,176
Educational consultancy	355,451	355,451	218,333
	<u>14,570,349</u>	<u>14,570,349</u>	<u>13,535,722</u>
 Total 2019	 <u>13,535,722</u>	 <u>13,535,722</u>	

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Pension interest cost	128,000	128,000	99,000
Staff costs	2,978,369	2,978,369	3,137,246
Depreciation	1,304,460	1,304,460	1,304,585
Staff development and recruitment costs	277,840	277,840	223,274
Building maintenance	270,860	270,860	241,018
Rent and rates	168,691	168,691	164,159
Light and heat	331,088	331,088	293,490
Cleaning costs	442,965	442,965	395,151
Catering costs	413,927	413,927	510,988
Computer costs	149,382	149,382	188,164
Other occupancy costs	81,443	81,443	86,015
Security and travel costs	35,240	35,240	33,151
Legal and professional fees	286,765	286,765	234,556
Insurance	73,680	73,680	90,416
Other support costs	510,300	510,300	549,699
	<u>7,453,010</u>	<u>7,453,010</u>	<u>7,550,912</u>
Total 2019	<u>7,550,912</u>	<u>7,550,912</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	18,965	22,018
Depreciation of tangible fixed assets	1,460,546	1,499,649
Fees paid to auditor for:		
- audit	19,925	17,950
- other services	1,600	4,400

Odyssey Trust for Education
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	As restated 2019 £
Wages and salaries	11,536,846	10,422,298
Social security costs	1,187,630	1,745,493
Pension costs	3,198,000	2,814,566
	15,922,476	14,982,357
Agency staff costs	383,893	508,156
Staff restructuring costs	123,006	101,722
	16,429,375	15,592,235

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	52,296	70,608
Severance payments	6,487	31,114
Other restructuring costs	64,223	-
	123,006	101,722

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,487 (2019: £31,114). Individually the payments were £6,467, £10 and £10 (2019: £17,616, £9,705 and £3,793).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	227	183
Administration and support	134	175
Management	24	18
	385	376

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Notes to the financial statements
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11. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	192	165
Administration and support	110	123
Management	23	17
	325	305

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	6	2
In the band £70,001 - £80,000	6	2
In the band £80,001 - £90,000	-	4
In the band £90,001 - £100,000	1	-
In the band £130,001 - £140,000	1	1

e. 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 £620,194 (2019 £637,967). Included within these amounts are restructuring costs of £Nil (2019: £52,848).

In addition, during the year Mr M Ford and Mr A Pembroke Tallett acted as interim CFO and COO for Odyssey Trust for Education and for a period formed part of key management personnel:

- For Mr M Ford Odyssey Trust for Education were invoiced £16,000 for his services by BMAT Education.
- For Mr A Pembroke Tallett Odyssey Trust for Education were invoice £23,000 for his services by Mr A Pembroke Tallett.

Notes to the financial statements
for the year ended 31 August 2020

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Desmond Deehan, Chief Executive Officer	Remuneration	135,000 -	130,000 -
		140,000	135,000
	Pension contributions paid	30,000 -	20,000 -
		35,000	25,000

During the year ended 31 August 2020, expenses totalling £450 were reimbursed or paid directly to 1 Trustee (2019 - £NIL to no Trustee), for expenditure incurred for his role as CEO.

13. Trustees' and Officers' insurance

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

Notes to the financial statements
for the year ended 31 August 2020

14. Central services

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

- Executive service (Headteacher role)
- Management and consultancy
- Finance services
- HR services (internal and external)
- School improvement monitoring
- Premises services
- Legal advice
- CPD
- Website (via interactive schools)
- GDPR

The academy trust charges for these services on the following basis:

- 5% of General Annual Grant funding for each academic year from each school in the academy trust
- Additional 5% of General Annual Grant funding for each academic year from King Henry School for school improvement

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Townley Grammar School	403,936	362,283
King Henry School	900,256	464,832
Total	1,304,192	827,115

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**Notes to the financial statements
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15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2019	33,235,570	24,495,957	498,337	1,047,627	771,619	63,770	60,112,880
Additions	641,967	4,955	200,495	25,135	41,426	-	913,978
Transfers between classes	80,999	597,184	(678,183)	-	-	-	-
At 31 August 2020	33,958,536	25,098,096	20,649	1,072,762	813,045	63,770	61,026,858
Depreciation							
At 1 September 2019	7,305,457	1,504,203	-	724,944	569,599	50,901	10,155,104
Charge for the year	918,018	263,352	-	192,330	77,862	8,984	1,460,546
At 31 August 2020	8,223,475	1,767,555	-	917,274	647,461	59,885	11,615,650
Net book value							
At 31 August 2020	25,735,061	23,330,541	20,649	155,488	165,584	3,885	49,411,208
At 31 August 2019	25,930,113	22,991,754	498,337	322,683	202,020	12,869	49,957,776

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Notes to the financial statements
for the year ended 31 August 2020

15. Tangible fixed assets (continued)

Included within freehold land and buildings is land at a nominal value of £1, reflecting legal restrictions as to its use.

Included within leasehold land and buildings is land at a value of £6,728,000 (2019: £6,728,000)

Leasehold land and buildings comprise land and buildings occupied on a 125 year lease granted from the London Borough of Bexley.

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	21,553	20,704
Other debtors	278,798	311,053
Prepayments and accrued income	498,935	754,237
	<u>799,286</u>	<u>1,085,994</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	10,773	31,085
Trade creditors	383,751	775,058
Other taxation and social security	303,021	307,618
Other creditors	284,552	222,747
Accruals and deferred income	179,712	282,725
	<u>1,161,809</u>	<u>1,619,233</u>

	2020 £	2019 £
Deferred income at 1 September 2019	148,153	1,000
Resources deferred during the year	58,456	148,153
Amounts released from previous periods	(148,153)	(1,000)
	<u>58,456</u>	<u>148,153</u>

At the balance sheet date the Academy Trust was holding funds received in advance of £57,102 for trips taking place in 2020/21, £754 for Jack Petchy award funding and £600 lettings deposits.

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Notes to the financial statements
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18. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Other loans	62,500	10,524

Other loans includes £73,273 from Salix which is interest free and due to be fully repaid by 31 August 2030.

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Notes to the financial statements
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19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	870,053	732,605	(218,276)	(731,935)	-	652,447
Restricted general funds						
General Annual Grant	393,020	16,477,104	(17,594,495)	724,371	-	-
Other DfE/ESFA grants	-	1,842,026	(1,842,026)	-	-	-
Other government grants	-	134,526	(134,526)	-	-	-
Bursary fund	-	40,490	(40,490)	-	-	-
Pension reserve	(7,474,000)	-	(733,000)	-	729,000	(7,478,000)
	<u>(7,080,980)</u>	<u>18,494,146</u>	<u>(20,344,537)</u>	<u>724,371</u>	<u>729,000</u>	<u>(7,478,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	49,957,776	-	(1,460,546)	913,978	-	49,411,208
DfE/ESFA capital grant	758,226	167,927	-	(906,414)	-	19,739
	<u>50,716,002</u>	<u>167,927</u>	<u>(1,460,546)</u>	<u>7,564</u>	<u>-</u>	<u>49,430,947</u>
Total Restricted funds	<u>43,635,022</u>	<u>18,662,073</u>	<u>(21,805,083)</u>	<u>731,935</u>	<u>729,000</u>	<u>41,952,947</u>
Total funds	<u><u>44,505,075</u></u>	<u><u>19,394,678</u></u>	<u><u>(22,023,359)</u></u>	<u><u>-</u></u>	<u><u>729,000</u></u>	<u><u>42,605,394</u></u>

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Notes to the financial statements
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19. Statement of funds (continued)

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Other government grants represent those grants provided for specific purposes to provide additional support to the pupils where required.

The Restricted Fixed Asset Fund represents the net book value of tangible fixed assets. Transfers within this section were made to ensure the analysis correctly reflected tangible fixed assets and capital grants available to spend.

The DfE/ESFA capital grants fund is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Odyssey Trust for Education	(30,320)	12,675
Townley Grammar School	458,367	486,213
King Henry School	224,400	764,185
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	652,447	1,263,073
Restricted fixed asset fund	49,430,947	50,716,002
Pension reserve	(7,478,000)	(7,474,000)
	<hr/>	<hr/>
Total	42,605,394	44,505,075
	<hr/>	<hr/>

Odyssey Trust for Education
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Notes to the financial statements
for the year ended 31 August 2020

19. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Odyssey Trust for Education	(30,320)

The academy trust is taking the following action to return the academy to surplus:

Odyssey Trust for Education is in deficit due to the charges of central services being borne by the Trust that they are unable to pass on to the academy. The Academy Trust are currently working with the ESFA and actively reducing costs in order to present a balanced budget in the future.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Odyssey Trust for Education	487,621	522,758	20,605	316,203	1,347,187	869,812
Townley Grammar School	6,078,023	987,834	327,514	1,293,445	8,686,816	8,590,895
King Henry School	6,948,584	1,632,725	528,968	1,418,533	10,528,810	10,126,278
Academy trust	13,514,228	3,143,317	877,087	3,028,181	20,562,813	19,586,985

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Notes to the financial statements
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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	314,000	1,045,025	(247,021)	(241,951)	-	870,053
Transfer of existing academy into the Trust	-	619,300	-	(619,300)	-	-
	<u>314,000</u>	<u>1,664,325</u>	<u>(247,021)</u>	<u>(861,251)</u>	<u>-</u>	<u>870,053</u>
Restricted general funds						
General Annual Grant	333,000	16,542,287	(17,264,109)	781,842	-	393,020
Other DfE/ESFA grants	-	890,042	(890,042)	-	-	-
Other government grants	-	95,992	(95,992)	-	-	-
Bursary fund	-	81,557	(81,557)	-	-	-
Transfer of existing academy into the Trust	-	(2,511,736)	(225,264)	2,737,000	-	-
Pension reserve	(1,160,000)	-	(783,000)	(2,737,000)	(2,794,000)	(7,474,000)
	<u>(827,000)</u>	<u>15,098,142</u>	<u>(19,339,964)</u>	<u>781,842</u>	<u>(2,794,000)</u>	<u>(7,080,980)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	-	-	(1,499,649)	51,457,425	-	49,957,776
Restricted fixed asset fund	18,177,000	-	-	(18,177,000)	-	-
Transfer of academy into trust	-	27,660,000	-	(27,660,000)	-	-
DfE/ESFA capital grant	4,713,000	754,242	-	(4,709,016)	-	758,226
Capital expenditure GAG	782,000	-	-	(782,000)	-	-
Other capital	47,000	3,000	-	(50,000)	-	-

Odyssey Trust for Education
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Notes to the financial statements
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19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
	23,719,000	28,417,242	(1,499,649)	79,409	-	50,716,002
Total Restricted funds	22,892,000	43,515,384	(20,839,613)	861,251	(2,794,000)	43,635,022
Total funds	23,206,000	45,179,709	(21,086,634)	-	(2,794,000)	44,505,075

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	49,411,208	49,411,208
Current assets	709,549	1,167,207	19,739	1,896,495
Creditors due within one year	(57,102)	(1,104,707)	-	(1,161,809)
Creditors due in more than one year	-	(62,500)	-	(62,500)
Provisions for liabilities and charges	-	(7,478,000)	-	(7,478,000)
Total	652,447	(7,478,000)	49,430,947	42,605,394

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	49,957,776	49,957,776
Current assets	870,053	2,022,777	758,226	3,651,056
Creditors due within one year	-	(1,619,233)	-	(1,619,233)
Creditors due in more than one year	-	(10,524)	-	(10,524)
Provisions for liabilities and charges	-	(7,474,000)	-	(7,474,000)
Total	870,053	(7,080,980)	50,716,002	44,505,075

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Notes to the financial statements
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21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per statement of financial activities)	(2,628,681)	24,093,075
Adjustments for:		
Depreciation	1,460,546	1,499,649
Capital grants from DfE and other capital income	(167,927)	(754,242)
Interest receivable	(7,648)	(1,286)
Defined benefit pension scheme cost less contributions payable	605,000	684,000
Defined benefit pension scheme finance cost	128,000	99,000
Decrease/(increase) in debtors	286,708	(691,662)
(Decrease)/increase in creditors	(437,112)	946,655
Transfer of fixed assets from existing academy into trust	-	(26,019,130)
Transfer of LGPS pension obligation from existing academy into trust	-	2,737,000
Cash transferred in from existing academy into trust	-	(2,776,139)
Net cash used in operating activities	(761,114)	(183,080)

22. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	70,000	79,947
Repayments of borrowing	(38,336)	(45,591)
Net cash provided by financing activities	31,664	34,356

23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	7,648	1,286
Purchase of tangible fixed assets	(913,978)	(1,755,917)
Capital grants from DfE Group	167,927	754,242
Cash transferred in from existing academy into trust	-	2,776,139
Net cash (used in)/provided by investing activities	(738,403)	1,775,750

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Notes to the financial statements
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24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,097,209	2,565,062
Total cash and cash equivalents	1,097,209	2,565,062

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,565,062	(1,467,853)	1,097,209
Debt due within 1 year	(31,085)	20,312	(10,773)
Debt due after 1 year	(10,524)	(51,976)	(62,500)
	2,523,453	(1,499,517)	1,023,936

26. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements	289,109	804,051

27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2019.

Contributions amounting to £153,254 were payable to the schemes at 31 August 2020 (2019 - £115,297) and are included within creditors.

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Notes to the financial statements
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27. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £1,867,311 (2019 - £1,557,838).

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

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

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**Notes to the financial statements
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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £830,000 (2019 - £865,000), of which employer's contributions totalled £659,000 (2019 - £693,000) and employees' contributions totalled £ 171,000 (2019 - £172,000). The agreed contribution rates for future years are 17.9 to 18.1 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

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
<i>Retiring today</i>		
Males	22.4	23.2
Females	25.1	26.2
<i>Retiring in 20 years</i>		
Males	24	25.4
Females	27.1	28.5

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(386)	(397)
Discount rate -0.1%	393	405
Mortality assumption - 1 year increase	624	370
Mortality assumption - 1 year decrease	(606)	(363)
CPI rate +0.1%	392	404
CPI rate -0.1%	(385)	(397)

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27. Pension commitments (continued)

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

	At 31 August 2020 £	At 31 August 2019 £
Equities	6,884,000	5,954,000
Other bonds	2,341,000	1,453,000
Government bonds	1,652,000	1,377,000
Property	1,377,000	1,287,000
Cash and other liquid assets	137,000	270,000
Other assets	1,377,000	2,521,000
Total market value of assets	13,768,000	12,862,000

The actual return on scheme assets was £478,000 (2019 - £1,077,000).

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

	2020 £	2019 £
Current service cost	1,062,000	870,000
Past service cost	24,000	484,000
Interest income	(235,000)	(323,000)
Interest cost	363,000	422,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	150,000	-
Administrative expenses	28,000	23,000
Total amount recognised in the Statement of financial activities	1,392,000	1,476,000

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September 2018	20,336,000	4,856,000
Transferred in on existing academy joining the trust	-	10,255,000
Interest cost	363,000	422,000
Employee contributions	171,000	172,000
Actuarial (gains)/losses	(482,000)	3,548,000
Benefits paid	(378,000)	(271,000)
Past service costs	174,000	484,000
Current service cost	1,062,000	870,000
At 31 August 2019	21,246,000	20,336,000

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Notes to the financial statements
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27. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September 2018	12,862,000	3,696,000
Transferred in on existing academy joining the trust	-	7,518,000
Interest income	235,000	323,000
Actuarial gains	247,000	754,000
Employer contributions	659,000	693,000
Employee contributions	171,000	172,000
Benefits paid	(378,000)	(271,000)
Administrative expenses	(28,000)	(23,000)
At 31 August 2019	13,768,000	12,862,000

28. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	21,348	41,471
Later than 1 year and not later than 5 years	38,607	59,955
	59,955	101,426

29. Members' liability

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

30. 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 trustees 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.

No further related party transactions took place other than those disclosed within key management personnel note 11e.

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Notes to the financial statements
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31. Agency arrangements

The Academy Trust distributes 16-19 bursary funds as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £89,831 (2019: £81,557) and disbursed £40,288 (2019: £26,185) from the fund. An amount of £122,144 (2019: £72,601) is included in other creditors relating to undistributed funds that is repayable to ESFA.

32. Controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.