

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

Financial Statements  
for the Year Ended 31 August 2020

Company Registration Number: 09471240  
"Registrar of Companies Copy"



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**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

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**for the Year Ended 31 August 2020**

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**Areté Learning Trust**  
**(A Company Limited by Guarantee)**  
**for the Year Ended 31 August 2020**  
**Reference and Administrative Information**

**MEMBERS**

|                  |                            |
|------------------|----------------------------|
| Prof G Henderson |                            |
| Dr N Land        | Chair                      |
| Mrs K Picking    |                            |
| Mr S Brennan     | Appointed 17 December 2019 |
| Mr P Bartlett    |                            |
| Rev P Hutchinson | Resigned 31 December 2019  |

**TRUSTEES**

|                       |                                                     |
|-----------------------|-----------------------------------------------------|
| Mr S Brennan          | Chair                                               |
| Mrs C M Brooker (CEO) |                                                     |
| Mr M Foster           |                                                     |
| Ms J Hooton           |                                                     |
| Prof A Slade          | Appointed 10 October 2019                           |
| Rev P Hutchinson      | Resigned 31 December 2019                           |
| Mrs R Barker          | Appointed 10 October 2019 Resigned 7 August 2020    |
| Mr I Robertson        | Appointed 10 October 2019 Resigned 17 December 2019 |

**SENIOR MANAGEMENT TEAM**

|                 |                                                                        |
|-----------------|------------------------------------------------------------------------|
| Mrs C M Brooker | CEO                                                                    |
| Mrs H L Millett | Head Teacher                                                           |
| Mrs J Potter    | Head Teacher                                                           |
| Mrs V Rahn      | Head of School                                                         |
| Mr A Watt       | Finance Director (from 1 June 2020)                                    |
| Mrs H Wiseman   | Financial Controller                                                   |
| Mr D Adrian     | Finance Director (resigned 31 May 2020)                                |
| Mr J Tait       | Director of School Improvements and Deputy CEO (appointed 1 July 2020) |

|                     |                      |
|---------------------|----------------------|
| <b>COMPANY NAME</b> | Areté Learning Trust |
|---------------------|----------------------|

|                                        |                                                                             |
|----------------------------------------|-----------------------------------------------------------------------------|
| <b>PRINCIPAL AND REGISTERED OFFICE</b> | Stokesley School<br>Station Road<br>Stokesley<br>North Yorkshire<br>TS9 5AL |
|----------------------------------------|-----------------------------------------------------------------------------|

|                                    |          |
|------------------------------------|----------|
| <b>COMPANY REGISTRATION NUMBER</b> | 09471240 |
|------------------------------------|----------|

|                |                                                       |
|----------------|-------------------------------------------------------|
| <b>BANKERS</b> | Lloyds Bank<br>37 Westgate<br>Guisborough<br>TS12 6BD |
|----------------|-------------------------------------------------------|

|                            |                                                                                                                            |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>INDEPENDENT AUDITOR</b> | Anderson Barrowcliff LLP<br>Chartered Accountants<br>3 Kingfisher Court<br>Bowesfield Park<br>Stockton on Tees<br>TS18 3EX |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|

|                   |                                                     |
|-------------------|-----------------------------------------------------|
| <b>SOLICITORS</b> | Wrigleys<br>19 Cookridge Street<br>Leeds<br>LS2 3AG |
|-------------------|-----------------------------------------------------|

**Areté Learning Trust**  
**(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 ended 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust currently operates three academies for pupils aged 11 to 18 in Northallerton, Richmond and Stokesley areas respectively.

|                                           | Pupil Admission Number | Number on roll |
|-------------------------------------------|------------------------|----------------|
| Northallerton School & Sixth Form College | 225                    | 1022           |
| Richmond School & Sixth Form College      | 250                    | 1301           |
| Stokesley School & Sixth form college     | 189                    | 1165           |

The Trust was named as the preferred sponsor for Northallerton School, following the school's Ofsted designation of "Special Measures" in 2018. The Trust has sponsored Northallerton School from September 2019.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

Areté Learning Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Arété Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Arété Learning Trust.

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

### **Members' Liability**

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

### **Trustees' Indemnities**

Trustees and governors benefit from indemnity insurance to cover liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust or duty of which they may be guilty in relation to the Trust. The insurance provides cover up to £2,000,000 on any one claim. The Trust subscribes to the DfE's Risk Protection Arrangement (RPA) which is an alternative to commercial insurance for Academy Trusts. The RPA covers a broad spectrum of assets and risks, including trustee and governor liability at a cost of £18 per student which is deducted from the General Annual Grant (GAG). For 19/20 the cost of the RPA was £63,756. The Trust additionally invests in Directors' and Officers' Liability insurance.

### **Method of Recruitment and Appointment or Election of Trustees**

Trustees may be appointed provided that such a Trustee is a person with sufficient local knowledge of the area within which the Trust is located to represent the interests of the local community or bring skills to the Board which will be of benefit to the Trust. When established, the Trust appointed Trustees whose range of skills were of particular benefit to a Trust board. The Trust has a written statement of principles for recruitment of future additional Trustees: Arété Learning Trust Recruitment/Appointment Principles July 2017. Trustees are appointed for a four-year term save for the CEO who is entitled to be a trustee for as long as he or she is in post. Trustees are eligible to be re-elected at the end of their term. There is no limit to the number of terms a trustee may serve.

The Trust has appointed local governing bodies (LGBs) for Northallerton, Richmond and Stokesley Schools, to which two parent governors can be elected respectively. Their primary responsibility is to provide support and challenge to the Headteacher in terms of securing high standards of achievement for all students and to ensure that all statutory responsibilities, particularly with regard to standards, Health & Safety, safeguarding and wellbeing are fulfilled. There are clear Terms of Reference for the LGBs, each of which is which is a committee of the Board.

Senior leaders in the schools are responsible for the day to day management, for acting upon strategic decisions taken by the Board and/or the LGB and ensuring that improvement priorities are identified, agreed and addressed.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

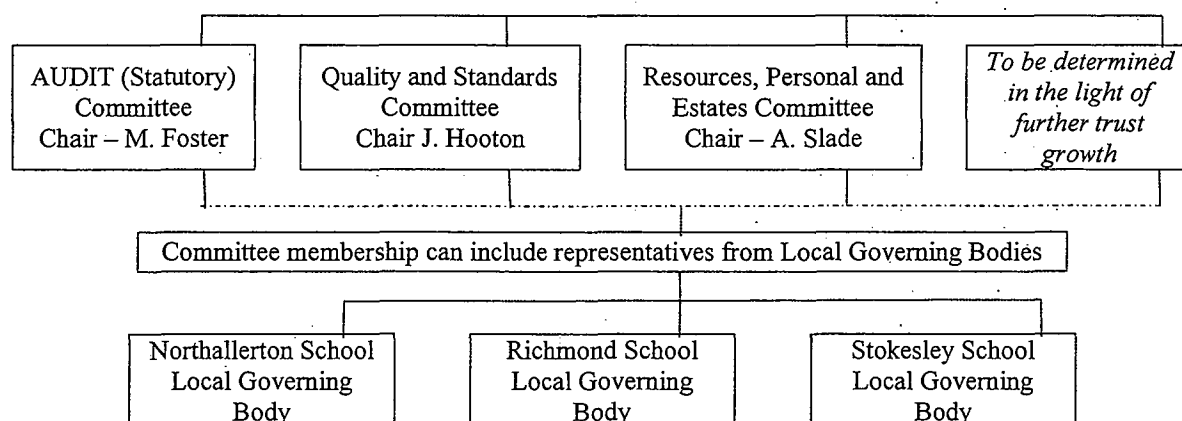
**Policies and Procedures Adopted for the Induction and Training of Trustees**

New Trustees are provided with support and training following their appointment, through bespoke in-house training from established Trustees and as part of training commissioned from independent professionals, our solicitors and our HR advisers. The skills of the current Trustees include private sector finance, higher education, school leadership development, project management and company law. Two further directors were recruited to join the board for the year 2020-2021 one of whom brings expertise as a Professor of Obesity and the other as CEO of a youth service organisation. The diverse skills of directors are employed in providing training for the whole Board as well as for LGBs and executive staff. New Trustees are asked to familiarise themselves with the Governance Handbook as part of their induction and the Competency Framework is used as part of the recruitment strategy. Both of these documents are referenced and reflected in the Trust's Governance Handbook. Trustees are also required to confirm that they have read documentation including Keeping Children Safe In Education.

**Trust Organisational Structure as at academic year beginning September 2019**

| <b>Areté Learning Trust - Members</b> |                                                |
|---------------------------------------|------------------------------------------------|
| Mr. P. Bartlett                       | Company Director (Project Management)          |
| Mr. S.W. Brennan*                     | Company Director (Project Management)          |
| Prof. G. Henderson                    | Vice-Chancellor, Teesside University (Retired) |
| Rev. P. Hutchinson **                 | Rector (Legal Background)                      |
| Dr. N. Land                           | Director, NHS Trust (Retired)                  |
| Mrs. K. Picking                       | Company Director (HR)                          |
| * Date of Registration 17 12 19       |                                                |
| ** Date of Cessation 31 12 19         |                                                |

| <b>Board of Directors</b>    |                   |                                |             |
|------------------------------|-------------------|--------------------------------|-------------|
| Mrs. R. Barker *             | NHS               | Rev. P. Hutchinson **          | See above   |
| Mr. S.W. Brennan             | See above (CHAIR) | Mr. I Robertson ***            | Education   |
| Mrs C.M. Brooker             | ALT CEO           | Mr. A Slade                    | HE Academic |
| Mr M. Foster                 | Finance Director  |                                |             |
| * Date of Cessation 07 08 20 |                   | ** Date of Cessation 31 12 19  |             |
|                              |                   | *** Date of Cessation 17 12 19 |             |



Mark Foster appointed as Deputy Chair from 1 January 2020.

Three new appointments have been made as part of the trust's succession planning strategy for the academic year 20/21.

**Management Structure**

The levels of delegation to school leaders and LGBs are set out in the Scheme of Delegation and the more detailed appendices which outline the main responsibilities of school leaders, LGBs, the CEO, and Board committees.

**Areté Learning Trust**  
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**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**2019/20**

Senior Leaders Northallerton: V Rahn (Head of School) A Wilkinson (Deputy Headteacher)  
Senior Leaders Richmond: J Potter (Headteacher) D Clark, C Wardle (Deputy Headteachers)  
Senior Leaders Stokesley: H Millett (Headteacher) J Darbyshire (Deputy Headteacher)

**Arrangements for setting and remuneration of key management personnel**

Apart from the CEO, all other Trustees are non-executive and receive no remuneration for their work as Trustees. The Trust pay policy recognises, and is based on, the current National School Teachers' Pay and Conditions Document. The policy is also subject to consultation with teachers' professional association representatives on an annual basis, as part of the JCC arrangements the trust has agreed with them and with support-staff unions. Central to the policy is the Trust's wish to recognise and reward good and outstanding performance by ALT staff. Pay awards are made in line with clearly stated criteria for progression in the context of the National Standards for teachers. Headteachers are paid in accordance with the School Teachers' Pay and Conditions Document, paragraphs 4 to 6. The schools' senior staff are also remunerated in line with the guidance therein. The salaries of the CEO and FD are benchmarked with comparable MATs and are reviewed in the context of appraisal objectives and performance reviews. The Board convenes a Remuneration Committee specifically for the appraisal and salary review of the CEO, as well as to moderate performance-related recommendations across all three academies and central staff.

**Trade Union Facility Time**

The trust has a Facility Time Agreement with the unions, in accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017.

Number of employees who were relevant union officials during the relevant period – 5 fte.

Percentage of time spent on facility time - 0%

**Related parties and other connected charities and organisations**

The Trust received no additional funding from sponsors during 2019/20.

Richmond school received £18,251 as a charitable donation from the charity "Richmond School Trustees" to support the education of disadvantaged children.

**Engagement with employees**

The Trust takes seriously the responsibility for equal opportunities prior to employment, i.e. applicants as well as for current employees. This is reflected in policies and in practice, and is kept under review. This is exemplified in the Accessibility policies (academy specific), the Equality and Diversity policy (trust-wide) and the Equal Opportunities policy (trust-wide.)

Our recruitment processes include measures to guard against any discrimination factors, including all protected characteristics. Reasonable adjustments are made to enable employees to be able to undertake work in the academies - for example by timetable planning which accommodates ground floor only requirements, lighting adjustments etc. We also seek specialist advice when required. Training and development opportunities are open to all employees.

Engagement with employees includes a formal agreement to facilitate consultation with staff: a recognition agreement is in place and a Joint Consultation committee meets regularly with the CEO. During the course of the year, equalities, recruitment, pay and wellbeing policies and statements have been reviewed with staff members' regional representatives. All policies developed and/or reviewed during the year take account of protected characteristics under the Equalities Act. The headteachers have also consulted staff on a number of policy development issues, including uniform change, behaviour policies and cost reduction exercises. The Executive Leadership Team meets regularly and the academy heads report to their staff strategic decisions made and seek their views on significant policy development.

**Areté Learning Trust**  
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**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**Engagement with suppliers, customers and others**

The trust recognises the importance of fostering long term mutually beneficial trading relationships with a portfolio of local, regional and national suppliers. All procurement is undertaken with regard to The Academies Financial Handbook. We acknowledge the lowest price may not always represent the best long term value for money and recognise the need to peer review procurement activity across of all the Trust sites. To support our suppliers, payment terms are respected and payments are made to those terms.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

Areté Learning Trust was set up on 1 April 2015, its principal aim being encompassed in its vision of -  
*"being the best we can be"* by –

*"uniting schools, communities and families to secure success for all young people"*

**"Being the Best We Can Be" (extract from our Scheme of Delegation)**

Every academy within the Trust will have its own unique values and ethos but must be committed to the overarching principle of "being the best we can be", the mission statement of the Arété Learning Trust (ALT), which will underpin the work of all Trust academies. This is rooted in the shared belief that every child, whatever his or her circumstances and starting point, has unique skills and qualities and given the support, encouragement, opportunity and challenge to achieve, can do so. It is the commitment of the company to create a context for all children and young people to thrive, academically, personally and socially, so that they experience the real joy of learning.

We are committed to -

- seamless cross-phase learning to maximise students' progress and success
- securing quality of service by growing in a measured way, in terms of area and resource
- securing cost-effectiveness in all business activity, to enhance provision
- serving inclusively the local community of ALT academies
- accepting, as a sponsor, the broader moral responsibility for improving schools in need of support
- the principle of partnership between primary and secondary schools
- sustainable and measured growth as a Trust
- the aspiration of "being the best we can be" for all children and young people in ALT academies

**Our purpose as a MAT is:**

- to enable schools to work together, share expertise and maximise efficiency and effectiveness across the MAT
- to secure rapid and sustained improvement for any schools sponsored by the Trust
- to enable all children and young people in ALT Academies to leave our schools having achieved well, strengthened by the values and aspirations of the ALT and being well prepared to face the next challenge in their learning, personal and social development.

**2019 - 2022 Medium Term Strategic Priorities**

- to improve the educational experience and outcomes for all students whatever their starting point
- to ensure the trust continues in a secure financial position to operate effectively in the face of increasing costs and inadequate funding to improve working conditions and provision for staff and students
- to ensure that all ALT schools are fully committed to and engaged in the principle and practice of collaboration to drive improvement across all our schools
- to implement a Quality Assurance Programme across the Trust with external validation/peer review
- to develop a sustainable model for Post 16 provision
- to implement a trust wide stage-appropriate professional development curriculum for leaders, teachers & support staff
- to address the issue of staff workload, wellbeing and mental health
- to plan and implement a trust-wide wellbeing, mental and physical health programme for all students
- to ensure that further measured expansion enables the trust to have the resource, access to guaranteed funding and capacity to deliver large scale economies and efficiencies by building the infrastructure of the trust, considering all growth options
- to work towards the core aim of seamless cross phase learning by including primary schools and potentially an FE college within the trust
- to develop a trust model of alternative provision for students who will benefit from this

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**OBJECTIVES AND ACTIVITIES (continued)**

In addition, for the year 19-20 the Trust's key priorities were:

- effective integration and rapid improvement of Northallerton School
- collaboration to secure school improvement
- developing a Capacity Strategy to realise measured growth, with no compromise to provision for trust schools
- policy development and rationalisation across the trust
- further developing financial reporting and analysis to increase consistency, robustness, efficiency and effectiveness
- securing the Trust's financial sustainability
- securing funding for much-needed premises development and improvement

**Public Benefit**

Areté Learning Trust considers the Charity Commission's guidance on Public Benefit and has complied with it by delivering a high quality education for its students, evidenced by key performance indicators in terms of students' outcomes. Details of these can be found on the Trust schools' websites.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

*Owing to the pandemic where exam results, Progress 8 measures etc. would have been KPIs, these are no longer applicable for the 2019/2020 academic year.*

Trends in examination results continued to be positive during the Covid pandemic: the consequent use of Centre Assessed Grades evidenced this though the circumstances rendered national comparative judgements unreliable.

During the extended lockdown from March to July 2020, all three schools collaborated in providing an online curriculum which was extremely well-received by students and parents.

The virus control measures inevitably affected the core purpose of raising achievement and costs incurred exceeded planned spending in terms of health, safety, hygiene measures and digital learning. Concerns about staff wellbeing informed a trust-wide survey, the results of which informed subsequent planning and policy. The lessons and experiences resulting from the extended use of digital learning have informed strategic planning for the 20/21 academic year and beyond.

Following the significant impact on community confidence in Northallerton School resulting from the Special Measures judgement in 2018, the Trust's sponsorship has enhanced its reputation. Having gained government funding of £8.9 million to relocate the school to improved accommodation and investing extensively during 19/20 in the improvement of standards, the fall in roll has been reversed at Year 7 and for Sixth Form.

The Trust continued to manage its finances effectively so that, notwithstanding increasing costs and other pressures on school funding, we continue in a relatively strong position, in terms of governance and operational effectiveness.

In addition to two successful CIF grants awarded in May 2020, the Trust has invested from its own resources in further school improvement projects at Stokesley School.

**Going Concern**

Notwithstanding the increasing costs to the Trust, the Board of Trustees has a well-informed expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trustees keep accounts under constant review. Whilst uncertainties clearly exist, the Trustees have considerable confidence in the Trust's financial security, having ensured that the Trust holds adequate reserves to secure its financial stability. Thus the Trust continues to adopt the "going concern" basis of accounting in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**Promoting the Success of the Company**

Much work has been undertaken to promote the success of the schools individually and the trust as a whole. This has been particularly well received by stakeholders and the investment in professional marketing has paid dividends. On line presence has increased exponentially and blended learning has developed, not least as a result of lockdown in the summer term of 2020.

**FINANCIAL REVIEW**

Despite the challenges presented by the unprecedented COVID pandemic the trust had an in-year surplus, before actuarial adjustments of £425,000 (2019: £351,000).

The Trust ended the year (after non-operational adjustments) with a deficit of £1,091,000 (2019: deficit of £10,142,000). This includes an actuarial loss of £942,000 (2019: £1,115,000) on the LGPS. Total incoming resources amounted to £22,225,000 (excluding inherited assets of £37,000) and total outgoing resources amounted to £20,815,000. Northallerton School joined the MAT on 1 September 2019 and £6,188,000 of the income related to Northallerton School, together with the inherited liabilities of £1,559,000. The expenditure attributable to Northallerton School was £5,917,000 giving a surplus excluding inherited assets and a gain on pension reserve of £271,000. The majority of income received was the GAG, which amounted to £16,626,000. Expenditure on charitable activities is detailed in note 8. The surplus on unrestricted funds was £146,000 (2019: £49,000) and the unspent GAG was £777,000.

The Trust's free reserves (total funds less the amount held in fixed asset and restricted funds, with the exception of the general restricted fund) at the end of the year are £2,062,000 (2019: £1,555,000).

Despite carrying a £7,281,000 (£1,596,000 inherited) pension deficit, the Trust's balance sheet remains strong with net current assets of £3,857,000 and total net assets of £31,698,000. As explained in note 25 the pension fund deficit is not a liability which crystallises immediately and does not affect the resources the Trust has to spend on its charitable activities.

The Trust is satisfied with the period end financial position as the Trust is in a good position to deal with issues going forward, such as increased staffing costs and the Trust's ambition to improve the infrastructure of the schools.

**Reserves Policy**

The ESFA are able to set limits on the sum of GAG that can be carried forward from one year to the next. There are currently no limits in place. In the light of DfE expectation that Academy Trusts use their allocated funding for the full benefit of their current students, the Trust does not pursue a policy of building up a substantial surplus without having in place a clear plan for how it will be used to benefit its students and ALT's long-term development, as required.

The remaining funds in excess of working capital required for day to day operations are invested in a portfolio of bank and non-bank products in order to achieve a modest return at very low risk, whilst making funds available at 3 monthly intervals should they be required. The treasury management policy extract below sets out the context for investment.

The Trust maintained a reserves policy of 3% of GAG Funding. Funds are needed to be retained in order to develop the infrastructure of the school. Free reserves at the year end stand at £2,062,000, which is made up of unrestricted funds of £1,285,000 and unspent GAG of £777,000.

The restricted fixed asset fund is £36,850,000 made up of the net book value of fixed assets of £34,998,000 and unspent capital grants of £1,852,000.

The pension deficit has increased to £7,281,000 as a result of bringing in the deficit for Northallerton School of £1,596,000 and the latest actuarial valuation update, details of which are set out in note 25 in the accounts.

In 2016 it was agreed that the investment policy be changed to allow deposits of up to 12 months to be placed, rather than 6 months, in line with the Trust's investment strategy.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**FINANCIAL REVIEW (continued)**

**Investment Policy**

**Summary of Current Treasury Management Policy**

Where surplus funds exist, the Board gives consideration to the best use of those funds including:

- available funds to support the day to day business activities
- long term investments to support long term plans and future growth
- infrastructure investment

Funds exceeding those required to operate the day to day business effectively are invested with the current banker (Lloyds) or another UK institution regulated by the appropriate bodies.

A register of deposits is maintained and reviewed by the Board on a regular basis.

**Principal Risks and Uncertainties**

Trustees regularly review the risk register and pay particular attention to the top-line risks, which during the year 19-20 pertained to the impact of the pandemic, the Trust's growth and ensuring that financial sustainability is not compromised. The Trust also regularly reviews its academic provision alongside its budgets and forecasts to ensure that it provides the best possible provision to meet the needs of all students whilst being cost-effective. Operationally a significant risk remains in sustaining a balanced budget at Northallerton.

The Covid crisis presented all schools with challenges. ALT schools collaborated throughout the lockdown in developing digital learning, resources and safety measures. Feedback from students and parents was extremely positive, particularly as the contact between students and teachers increased during the period of home learning. Our schools remained open to keep workers' children as well as for any children for whom lockdown presented childcare problems. Similarly, our schools ensured that vulnerable children and their families were provided with additional and tailored support, as well as practical support, including provision of supermarket voucher. Effective planning and risk management prior to the students' return in July underpinned a successful reintegration, which was a model of excellent leadership and team work.

There is a rolling programme for replenishment of existing assets when they reach the end of their useful lives. To achieve the ambitious objective of continuing to improve the fabric of ageing buildings and for other major capital projects, the Trust remains dependent on continued success in securing grants from the DfE (particularly CIF) and developing partnership working with community and other interest groups.

**Fundraising**

The academy trust does not use any external fundraisers. Any fundraising undertaken during the year was monitored by the Trustees.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**Streamlined Energy and Carbon Reporting**

**UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020**

**2019/20**

|                                                      |               |
|------------------------------------------------------|---------------|
| Energy consumption used to calculate emissions (kWh) | 3,999,552     |
| Energy consumption break down (kWh)                  |               |
| Gas                                                  | 2,460,483     |
| Electricity                                          | 1,522,811     |
| Transport Fuel                                       | 16,259        |
| <b>Scope 1 emissions in metric tonnes CO2e</b>       |               |
| Gas consumption                                      | 452.41        |
| Owned transport - mini-buses                         | 0.86          |
| Total Scope 1                                        | 453.27        |
| <b>Scope 2 emissions in metric tonnes CO2e</b>       |               |
| Purchased electricity                                | 355.03        |
| <b>Scope 3 emissions in metric tonnes CO2e</b>       |               |
| Business travel in employee owned vehicles           | 3.11          |
| <b>Total gross emissions in metric tonnes CO2e</b>   | <b>811.40</b> |
| Intensity ratio Tonnes CO2e per pupil                | 0.23          |

**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.

**Measurements Taken To Improve Energy Efficiency**

We have an on-going programme to replace lighting with LED units across all three school sites. Structural works to Stokesley School include the replacement of energy efficient boilers and lighting within the sixth form and sports hall facilities including additional insulation to roof and wall panels. Increasingly we are encouraging staff to utilise digital learning facilities (webinars etc) to facilitate CPD activities.

**Plans for Future Periods**

The Trust's core purpose is to deliver its strategic vision of providing exceptional opportunities for personal and academic success for all students. It will continue its efforts to ensure they gain an education which inspires them, whatever their starting point, whilst equipping them to access further or higher education, or purposeful training and/or employment.

Whilst there has been considerable interest from other schools in joining Arété Learning Trust the Trustees have decided that ALT growth will be measured and consistent with strong financial controls and will embrace schools adopting the same guiding principles as the Trust.

During 20/21 the £8.9m capital project for the refurbishment of the school site at Brompton Lane in Northallerton will be undertaken ready for the school to locate in advance of start of the 21/22 academic year.

Following the recent completion of the construction of the 3G all-weather pitch at Richmond School, the school will continue to develop strong community and sporting links, to build grass roots football participation and generate additional income.

**Areté Learning Trust**  
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**Trustees' Report**  
**for the Year Ended 31 August 2020 (continued)**

**Funds Held as Custodian Trustee on Behalf of Others**

As stated in note 26 the academy distributes 16-19 bursary funds on behalf of the ESFA.

**Auditor**

Insofar as the Trustees are aware

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

The auditors, Anderson Barrowcliff Limited Liability Partnership, are willing to continue in office and a resolution to appoint them will be proposed at the Members' meeting in December 2020.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10/12/20 and signed on the board's behalf by:



**Mr S Brennan**  
**Chair of the Trustees**

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Arété Learning Trust and the Secretary of State for Education. She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control. The Trust's Finance Director, appointed in May 2018 (a Chartered Accountant by profession) brought further strength to the executive leadership of the Trust. He left his post in May 2019 and was replaced by Mr A. Watt, a chartered accountant with experience of working within a MAT.

**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 6 times during the year.

**Attendance 2019-2020 Board of Trustees**

R Barker (Director until 07 08 20)  
S Brennan  
C M Brooker (CEO and Accounting Officer)  
M Foster  
J Hooton  
P Hutchinson (Director until 31 12 19)  
I Robertson (Director until 17 12 19)  
A Slade

| Meetings attended | Of a possible |
|-------------------|---------------|
| 5                 | 6             |
| 6                 | 6             |
| 5                 | 6             |
| 6                 | 6             |
| 5                 | 6             |
| 1                 | 2             |
| 1                 | 1             |
| 5                 | 6             |

The Board of Trustees considered key strategic issues including:

- approval of the annual accounts
- approval of the 20~21 start budget
- key priorities in Trust schools and progress towards achieving them
- the performance of Trust schools
- review of policies

In addition to the full Board meetings, committees have also met regularly.

**Audit Committee** is a sub-committee of the main Trust Board. The role of the Audit Committee is to maintain an oversight of Arété Learning Trust's financial management and control, governance, risk management, internal control and value for money framework. It reported its findings to the Trust Board and CEO/Accounting Officer as a critical element of ALT's annual reporting requirements.

**Attendance 2019-2020 Audit Committee**

S Brennan  
C M Brooker (CEO and Accounting Officer)  
M Foster  
P Hutchinson (Director until 31 12 19)  
I Robertson (Director until 17 12 19)

| Meetings attended | Of a possible |
|-------------------|---------------|
| 3                 | 4             |
| 4                 | 4             |
| 4                 | 4             |
| 1                 | 1             |
| 1                 | 1             |

The Audit Committee considered key strategic issues including:

- risk management
- effective reporting to enable the Board to fulfil its responsibilities
- compliance with ESFA regulations and guidance

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement**

Quality and Standards Committee – (Q & S) is a sub-committee of the main Trust Board. The role of the Q&S Committee is to maintain an oversight of educational provision across the Trust's academies and the management and governance processes in place, to monitor and evaluate impact. The committee has delegated powers of decisions associated with certain areas of provision. The committee works closely with the CEO on significant educational policy development and educational issues and has delegated powers for certain key issues. The committee reports to the ALT Board and, where necessary, will make recommendations to the Board where decision-making is at Board level.

**Attendance 2019-2020 Quality & Standards Committee**

R Barker (Director until 07 08 20)  
C M Brooker (CEO and Accounting Officer)  
J Hooton  
P Hutchinson (Director until 31 12 19)  
A Slade

| Meetings attended | Of a possible |
|-------------------|---------------|
| 1                 | 2             |
| 2                 | 2             |
| 2                 | 2             |
| 1                 | 1             |
| 1                 | 2             |

The Q&S Committee considered key strategic issues including:

- progress and performance of disadvantaged and SEND students
- improving effectiveness of governance in holding school leaders to account
- sustaining learning and wellbeing during lockdown
- development of digital learning

**Resources, Personnel and Estates Committee (RPE)** is a sub-committee of the main Trust Board. The role of the RPE Committee is to maintain and oversight of ALT's finances and the management processes in place, to monitor and control these finances across ALT. The committee has delegated powers for decisions associated with certain levels of financial commitments. The committee works closely with the CEO on significant personnel issues and has delegated powers for certain key staff-related decisions. The committee also ensures that estates and IT management across ALT adopts a consistent strategy and the committee prepares the overall ALT capital investment programme.

**Attendance 2019-2020 Resources, Personnel and Estates Committee**

R Barker (Director until 07 08 20)  
S Brennan  
C M Brooker (CEO and Accounting Officer)  
M Foster  
P Hutchinson (Director until 31 12 19)  
I Robertson (Director until 17 12 19)  
A Slade

| Meetings attended | Of a possible |
|-------------------|---------------|
| 3                 | 4             |
| 5                 | 5             |
| 5                 | 5             |
| 5                 | 5             |
| 1                 | 1             |
| 1                 | 1             |
| 4                 | 4             |

The RPE Committee considered key strategic issues including:

- Northallerton refurbishment and building project
- CIF bids for Stokesley School & Football foundation project at Richmond School
- Staff pay and performance-related pay progression
- Staff workload and development of wellbeing strategies
- appointment of new executive leaders
- long term financial planning

**Review of Value for Money**

As Accounting Officer the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. In the CEO role as Accounting Officer she fully understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement**

**Review of Value for Money (continued)**

The Accounting Officer considers how the 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:

putting in place staffing changes and rationalisation of resources across the Trust.

addressing inefficiencies, including in terms of personnel

realising cost savings by centralising services

- reviewing and assessing service providers, licences and subscriptions as part of the Trust's routine financial procedures.
- implementation of energy efficient solutions and buildings improvements to reduce maintenance and energy costs, the benefits of which will be increasingly evident over the coming years.
- keeping under close scrutiny and review the curriculum offer, pre and post 16, which has been adjusted to maximise cost-effectiveness, whilst accommodating changing assessment and curriculum frameworks.

**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 of regular reviews, 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 Arété Learning Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit Committee of 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 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 by the Audit Committee and agreed by the Board of Trustees
- regular reviews by the Resources, Personnel and Estates Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and appointed Azets as internal auditor. The internal assurance annual programme comprised of remote visits and accompanying reports.

Azets' role is to provide the board with independent assurance that:

- the financial responsibilities of the Trust are being properly discharged
- resources are managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement**

**The Risk and Control Framework (continued)**

In addition, they provide advice on financial matters and perform a range of checks on the Academy Trust's financial systems. These include:

- bank accounts and reconciliations
- payroll
- purchasing
- corporate governance
- fixed assets and asset register
- control accounts

On a termly basis, the internal auditor reports to the Board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The schedule of work has been delivered to the satisfaction of the Board. There have been no high level issues identified and the recommendations of both internal and external auditors are in hand with a plan to address outstanding issues.

**Review of Effectiveness**

As Accounting Officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

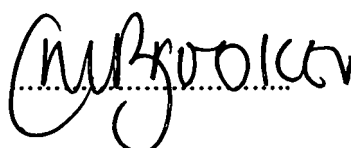
- the work of the internal and external auditors
- the advice and guidance of the Finance Director & the Chair the Audit Committee
- the financial management and governance self-evaluation process
- the advice and guidance of the Chair of the Resources, Personnel and Estates Committee
- the work of the Financial Controller

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address any weaknesses and ensure continuous improvement is in place.

Approved by order of the members of the Board of Trustees on ...10/12/20... and signed on its behalf by:

Signed:  .....

**Mr S Brennan**  
**Chair of Board of Trustees**

Signed:  .....

**Mrs C M Brooker**  
**Accounting Officer**

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Statement of Regularity, Propriety and Compliance**

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

  
Catherine Brooker  
Accounting Officer

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Statement of Trustees' Responsibilities**

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019, and the Academies Accounts Direction 2019 to 2020
- make judgments and 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 10/12/20 and signed on its behalf by:



.....  
Mr S Brennan  
Chairman of Board of Trustees

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust**

**Opinion**

We have audited the financial statements of Arété Learning Trust (the 'Academy Trust') for the year ended 31 August 2020 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's 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.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust**  
**(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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 strategic report and the directors' 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 directors' 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 set out on page 14 (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.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust**  
**(continued)**

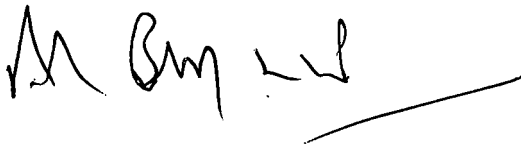
**Auditor's responsibilities for the audit of the financial statements**

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.

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

**Use of our report**

This report is made solely to the 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 the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



D J Robertson  
Senior Statutory Auditor  
For and on behalf of Anderson Barrowcliff LLP  
Chartered Accountants  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

Dated: 17 December 2020

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to**  
**Areté Learning Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 6 November 2019 and further to the requirements of the Education and 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 Arété Learning Trust during the year ended 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 Arété Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Arété Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Arété Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Arété Learning Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Arété Learning Trust funding agreement with the Secretary of State for Education dated 20 March 2015 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 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.

The work undertaken to draw to our conclusion includes:

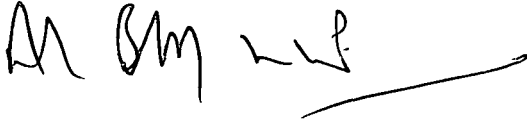
- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non compliance;
- Ensuring that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and key management personnel.

Areté Learning Trust  
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to  
Areté Learning Trust and the Education Funding Agency (continued)

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 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.



D J Robertson  
Reporting Accountant  
Anderson Barrowcliff LLP  
Statutory Auditor  
Chartered Accountants  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

Dated: 17 December 2020

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Statement of Financial Activities**  
**for the Year Ended 31 August 2020**

**(including Income and Expenditure Account)**

|                                                        |                    | <b><u>Unrestricted</u></b> | <b><u>Restricted</u></b> | <b><u>Restricted</u></b> |                     |                     |
|--------------------------------------------------------|--------------------|----------------------------|--------------------------|--------------------------|---------------------|---------------------|
|                                                        |                    | <b><u>Funds</u></b>        | <b><u>General</u></b>    | <b><u>Fixed</u></b>      |                     |                     |
|                                                        |                    | <b><u>£'000</u></b>        | <b><u>Funds</u></b>      | <b><u>Asset</u></b>      | <b><u>2020</u></b>  | <b><u>2019</u></b>  |
|                                                        | <b><u>Note</u></b> | <b><u>£'000</u></b>        | <b><u>£'000</u></b>      | <b><u>Funds</u></b>      | <b><u>Total</u></b> | <b><u>Total</u></b> |
|                                                        |                    |                            |                          | <b><u>£'000</u></b>      | <b><u>£'000</u></b> | <b><u>£,000</u></b> |
| <b>INCOME &amp; ENDOWMENTS FROM:</b>                   |                    |                            |                          |                          |                     |                     |
| Donations and capital grants                           | 3                  | 113                        | -                        | 2,435                    | 2,548               | 272                 |
| Transfer from local authority on conversion            | 2                  | 37                         | -                        | -                        | 37                  | -                   |
| <b>Charitable Activities</b>                           |                    |                            |                          |                          |                     |                     |
| Funding for the academy trust's educational operations | 4                  | 294                        | 19,029                   | -                        | 19,323              | 13,559              |
| Other trading activities                               | 5                  | 343                        | -                        | -                        | 343                 | 356                 |
| Investments                                            | 6                  | 11                         | -                        | -                        | 11                  | 5                   |
| <b>TOTAL</b>                                           |                    | <b>798</b>                 | <b>19,029</b>            | <b>2,435</b>             | <b>22,262</b>       | <b>14,192</b>       |
| <b>EXPENDITURE ON:</b>                                 |                    |                            |                          |                          |                     |                     |
| <b>Charitable Activities:</b>                          |                    |                            |                          |                          |                     |                     |
| Academy trust educational operations                   | 7                  | 652                        | 19,447                   | 716                      | 20,815              | 14,450              |
| Transfer from local authority on conversion            | 2                  | -                          | 1,596                    | -                        | 1,596               | -                   |
| <b>TOTAL</b>                                           |                    | <b>652</b>                 | <b>21,043</b>            | <b>716</b>               | <b>22,411</b>       | <b>14,450</b>       |
| <b>Net income/expenditure</b>                          |                    | <b>146</b>                 | <b>(2,014)</b>           | <b>1,719</b>             | <b>(149)</b>        | <b>(258)</b>        |
| Transfers between funds                                | 17                 | -                          | (71)                     | 71                       | -                   | -                   |
| <b>Other recognised gains/(losses)</b>                 |                    |                            |                          |                          |                     |                     |
| Actuarial losses on defined benefit pension schemes    | 17                 | -                          | (942)                    | -                        | (942)               | (1,115)             |
| Losses on revaluation of fixed assets                  |                    | -                          | -                        | -                        | -                   | (8,785)             |
| Other gains/(losses)                                   |                    | -                          | -                        | -                        | -                   | 16                  |
| <b>Net movement in funds</b>                           |                    | <b>146</b>                 | <b>(3,027)</b>           | <b>1,790</b>             | <b>(1,091)</b>      | <b>(10,142)</b>     |
| <b>RECONCILIATION OF FUNDS</b>                         |                    |                            |                          |                          |                     |                     |
| Total funds brought forward                            |                    | 1,139                      | (3,410)                  | 35,060                   | 32,789              | 42,931              |
| <b>Total funds carried forward</b>                     | <b>17</b>          | <b>1,285</b>               | <b>(6,437)</b>           | <b>36,850</b>            | <b>31,698</b>       | <b>32,789</b>       |

The notes on pages 25 to 44 form part of these financial statements.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Balance Sheet**  
**As at 31 August 2020**

|                                                                |      | <u>2020</u>    |                      | <u>2019</u>  |                      |
|----------------------------------------------------------------|------|----------------|----------------------|--------------|----------------------|
|                                                                | Note | £'000          | £'000                | £'000        | £'000                |
| <b>FIXED ASSETS:</b>                                           |      |                |                      |              |                      |
| Tangible assets                                                | 12   |                | 34,998               |              | 35,014               |
| Investments                                                    | 13   |                | 201                  |              | 107                  |
| <b>CURRENT ASSETS:</b>                                         |      |                |                      |              |                      |
| Debtors                                                        | 14   | 2,246          |                      | 312          |                      |
| Cash at bank and in hand                                       |      | 2,736          |                      | 2,212        |                      |
|                                                                |      | <u>4,982</u>   |                      | <u>2,524</u> |                      |
| <b>LIABILITIES:</b>                                            |      |                |                      |              |                      |
| Creditors: Amounts falling due within one year                 | 15   | <u>(1,125)</u> |                      | <u>(785)</u> |                      |
| <b>NET CURRENT ASSETS</b>                                      |      |                | <u>3,857</u>         |              | <u>1,739</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                | <u>39,056</u>        |              | <u>36,860</u>        |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 16   |                | <u>(77)</u>          |              | <u>(96)</u>          |
| <b>NET ASSETS EXCLUDING PENSION LIABILITY</b>                  |      |                | <u>38,979</u>        |              | <u>36,764</u>        |
| Defined benefit pension scheme liability                       | 25   |                | <u>(7,281)</u>       |              | <u>(3,975)</u>       |
| <b>TOTAL NET ASSETS</b>                                        |      |                | <u><u>31,698</u></u> |              | <u><u>32,789</u></u> |
| <b>FUNDS OF THE ACADEMY TRUST:</b>                             |      |                |                      |              |                      |
| <b>Restricted funds</b>                                        |      |                |                      |              |                      |
| Fixed asset funds                                              | 17   |                | 36,850               |              | 35,060               |
| Restricted income fund                                         | 17   |                | 844                  |              | 565                  |
| Pension reserve                                                | 17   |                | <u>(7,281)</u>       |              | <u>(3,975)</u>       |
| <b>Total restricted funds</b>                                  |      |                | <u>30,413</u>        |              | <u>31,650</u>        |
| Unrestricted income fund                                       | 17   |                | <u>1,285</u>         |              | <u>1,139</u>         |
| <b>TOTAL FUNDS</b>                                             |      |                | <u><u>31,698</u></u> |              | <u><u>32,789</u></u> |

The financial statements on pages 22 to 44 were approved by the Trustees, and authorised for issue on 10 October 2020 and are signed on their behalf by:

  
Mark Foster  
Trustee

The notes on pages 22 to 44 form part of these financial statements.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**for the Year Ended 31 August 2020**

|                                                                    | Note | <u>2020</u><br>£'000 | <u>2019</u><br>£'000 |
|--------------------------------------------------------------------|------|----------------------|----------------------|
| <b>Cash flows from operating activities</b>                        |      |                      |                      |
| Net cash (used in)/provided by operating activities                | 21   | (1,111)              | 644                  |
| Cash flows from financing activities                               | 21   | (10)                 | 45                   |
| Cash flows from investing activities                               | 21   | 1,645                | (435)                |
| <b>Change in cash and cash equivalents in the reporting period</b> |      | <u>524</u>           | <u>254</u>           |
| Cash and cash equivalents at 1 September 2019                      |      | <u>2,212</u>         | <u>1,958</u>         |
| <b>Cash and cash equivalents at 31 August 2020</b>                 | 22   | <u><u>2,736</u></u>  | <u><u>2,212</u></u>  |

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**1 STATEMENT OF 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.

**General information and basis of preparation**

Areté Learning Trust is a private company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details on page 1 of these financial statements. The nature of the Academy Trusts' operations and principal activities are set out in the Trustees' Report on page 2.

**Basis of Preparation**

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

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

**Incoming Resources**

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

**Grants**

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

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

Capital grants are recognised in full where 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 an 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.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

**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 on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income/(expenditure) is recognised as transfer on conversion within donations and capital grant income to the net assets received and within expenditure for the net liabilities received.

**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 resources expended are exclusive of recoverable VAT.

**Termination payments**

Termination payments are recognised in the statement of financial activities when agreements are signed and offset against the fund to which they relate.

**Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

**Tangible fixed assets**

Assets costing £1,000 or more for building works or £500 or more for other assets 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.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

**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 straight-line basis over its expected useful life, as follows:-

|                         |             |
|-------------------------|-------------|
| Leasehold buildings     | 2% on cost  |
| Computer hardware       | 33% on cost |
| Furniture and equipment | 14% on cost |

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.

**Leasehold fixed assets**

Long leasehold land and buildings are leased from the local authority on a 125 year lease. The leasehold property has been included in the accounts at Depreciated Replacement Cost.

**Investments**

Investments are included in the balance sheet at fair value and unrealised gains and losses are reflected in the unrestricted fund.

**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

**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.

**Leased Assets**

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

**Financial Instruments**

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

**Financial Instruments (continued)**

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 15 and 16. 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.

Concessionary loans - concessionary loans are initially recognised at the transaction price including transaction costs

**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.

**Pension benefits**

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

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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA and DfE.

Fund transfers only occur to reflect the cost fixed asset being purchased from GAG and being transferred to the restricted fixed asset fund.

**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 circumstances.

***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Land and buildings inherited on conversion to an academy are included in the financial statements at depreciated replacement cost. This is an estimate based on the value written out of the North Yorkshire County Council accounts on conversion. This will be updated in line with the desktop valuations provided by the ESFA in the following year.

**2 ASSETS INHERITED ON CONVERSION FOR THE YEAR ENDED 31 AUGUST 2020**

|                                             | <b><u>Unrestricted</u></b> | <b><u>Restricted</u></b> |                     |
|---------------------------------------------|----------------------------|--------------------------|---------------------|
|                                             | <b><u>Funds</u></b>        | <b><u>General</u></b>    | <b><u>2020</u></b>  |
|                                             | <b><u>£'000</u></b>        | <b><u>Funds</u></b>      | <b><u>Total</u></b> |
|                                             | <b><u>£'000</u></b>        | <b><u>£'000</u></b>      | <b><u>£'000</u></b> |
| Transfer from local authority on conversion | 37                         | (1,596)                  | (1,559)             |
|                                             | <u>          </u>          | <u>          </u>        | <u>          </u>   |

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**3 DONATIONS AND CAPITAL GRANTS**

|                 | <u>Unrestricted</u><br><u>Funds</u><br>£'000 | <u>Restricted</u><br><u>Funds</u><br>£'000 | <u>Total</u><br><u>2020</u><br>£'000 | <u>Total</u><br><u>2019</u><br>£'000 |
|-----------------|----------------------------------------------|--------------------------------------------|--------------------------------------|--------------------------------------|
| Capital grants  | -                                            | 2,435                                      | 2,435                                | 189                                  |
| Other donations | 113                                          | -                                          | 113                                  | 83                                   |
|                 | <u>113</u>                                   | <u>2,429</u>                               | <u>2,548</u>                         | <u>272</u>                           |

In the previous year £83,000 related to unrestricted funds and £189,000 related to restricted funds.

Capital grants include £1,925,855 of accrued income for the 3G pitch at Richmond, the sports hall at Stokesley and a new Sixth Form building at Stokesley. The 3G pitch and sports hall project commenced in the year but the date for commencement of the Sixth Form building is uncertain. Capital commitments of £1,798,000 are included within the capital commitments note (note 19).

**4 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

|                                | <u>Unrestricted</u><br><u>Funds</u><br>£'000 | <u>Restricted</u><br><u>Funds</u><br>£'000 | <u>Total</u><br><u>2020</u><br>£'000 | <u>Total</u><br><u>2019</u><br>£'000 |
|--------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------|--------------------------------------|
| <b>DfE/ESFA grants</b>         |                                              |                                            |                                      |                                      |
| General Annual Grant (GAG)     | -                                            | 16,626                                     | 16,626                               | 11,643                               |
| Start-up Grant                 | -                                            | 169                                        | 169                                  | -                                    |
| Other DfE group grants         | -                                            | 1,778                                      | 1,778                                | 1,125                                |
|                                | <u>-</u>                                     | <u>18,573</u>                              | <u>18,573</u>                        | <u>12,768</u>                        |
| <b>Other government grants</b> |                                              |                                            |                                      |                                      |
| Local Authority grants         | -                                            | 107                                        | 107                                  | 118                                  |
| Ministry of Defence            | -                                            | -                                          | -                                    | 20                                   |
| SSCO Partnership               | -                                            | 27                                         | 27                                   | 75                                   |
| Big Lottery                    | -                                            | -                                          | -                                    | 10                                   |
| Covid-19 grants                | -                                            | 84                                         | 84                                   | -                                    |
|                                | <u>-</u>                                     | <u>218</u>                                 | <u>218</u>                           | <u>223</u>                           |
| <b>Other income</b>            |                                              |                                            |                                      |                                      |
| School trip income             | -                                            | 238                                        | 238                                  | 307                                  |
| Catering income                | 294                                          | -                                          | 294                                  | 256                                  |
| Other                          | -                                            | -                                          | -                                    | 5                                    |
|                                | <u>294</u>                                   | <u>238</u>                                 | <u>532</u>                           | <u>568</u>                           |
|                                | <u>294</u>                                   | <u>19,029</u>                              | <u>19,323</u>                        | <u>13,559</u>                        |

In the previous year £256,000 related to unrestricted funds and £13,303,000 related to restricted funds.

**Areté Learning Trust**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**5 OTHER TRADING ACTIVITIES**

|                           | <u>Unrestricted</u><br><u>Funds</u><br>£'000 | <u>Total</u><br><u>2020</u><br>£'000 | <u>Total</u><br><u>2019</u><br>£'000 |
|---------------------------|----------------------------------------------|--------------------------------------|--------------------------------------|
| Sale of educational goods | 28                                           | 28                                   | 28                                   |
| Letting income            | 54                                           | 54                                   | 61                                   |
| Music services income     | 39                                           | 39                                   | 48                                   |
| Recharges                 | 75                                           | 75                                   | 112                                  |
| Other                     | 147                                          | 147                                  | 107                                  |
|                           | <u>343</u>                                   | <u>343</u>                           | <u>356</u>                           |

In the previous year £356,000 related to unrestricted funds.

**6 INVESTMENT INCOME**

|                     | <u>Unrestricted</u><br><u>Funds</u><br>£'000 | <u>Restricted</u><br><u>Funds</u><br>£'000 | <u>Total</u><br><u>2020</u><br>£'000 | <u>Total</u><br><u>2019</u><br>£'000 |
|---------------------|----------------------------------------------|--------------------------------------------|--------------------------------------|--------------------------------------|
| Short term deposits | 11                                           | -                                          | 11                                   | 5                                    |

In the previous year £5,000 related to unrestricted funds.

**7 EXPENDITURE**

|                                  | <u>Staff Costs</u><br>£'000 | <u>Non Pay Expenditure</u><br><u>Premises</u><br>£'000 | <u>Other</u><br>£'000 | <u>Total</u><br><u>2020</u><br>£'000 | <u>Total</u><br><u>2019</u><br>£'000 |
|----------------------------------|-----------------------------|--------------------------------------------------------|-----------------------|--------------------------------------|--------------------------------------|
| Academy's educational operations |                             |                                                        |                       |                                      |                                      |
| -Direct costs                    | 14,219                      | -                                                      | 893                   | 15,112                               | 10,337                               |
| -Allocated support costs         | 2,469                       | 1,224                                                  | 2,010                 | 5,703                                | 4,113                                |
|                                  | <u>16,688</u>               | <u>1,224</u>                                           | <u>2,903</u>          | <u>20,815</u>                        | <u>14,450</u>                        |

In the previous year £651,000 related to unrestricted funds, £1,390,000 related to restricted general funds and £609,000 related to the restricted fixed asset fund.

|                                                 | <u>Total</u><br><u>2020</u><br>£'000 | <u>Total</u><br><u>2019</u><br>£'000 |
|-------------------------------------------------|--------------------------------------|--------------------------------------|
| Net (expenditure)/income for the year includes: |                                      |                                      |
| Operating leases rentals                        | 73                                   | 47                                   |
| Depreciation                                    | 717                                  | 609                                  |
| Fees payable to auditor - audit                 | 7                                    | 6                                    |
| - other services                                | 4                                    | 4                                    |

**Areté Learning Trust**  
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**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**8 CHARITABLE ACTIVITIES**

|                                        | <u>Total</u><br><u>2020</u><br>£'000 | <u>Total</u><br><u>2019</u><br>£'000 |
|----------------------------------------|--------------------------------------|--------------------------------------|
| Direct costs – educational operations  | 15,112                               | 10,337                               |
| Support costs – educational operations | 5,703                                | 4,113                                |
|                                        | <u>20,815</u>                        | <u>14,450</u>                        |
| <b>Analysis of support costs</b>       |                                      |                                      |
| Support staff costs                    | 2,469                                | 1,543                                |
| Depreciation                           | 717                                  | 609                                  |
| Technology costs                       | 193                                  | 153                                  |
| Premises costs                         | 1,223                                | 800                                  |
| Legal costs - conversion               | 10                                   | 23                                   |
| - other                                | 164                                  | 198                                  |
| Other support costs                    | 907                                  | 771                                  |
| Governance costs                       | 20                                   | 16                                   |
| Total support costs                    | <u>5,703</u>                         | <u>4,113</u>                         |

**9 STAFF**

|                                                                                                                                                | <u>2020</u><br>£'000 | <u>2019</u><br>£'000 |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>(a) Staff costs</b>                                                                                                                         |                      |                      |
| Staff costs during the year were:                                                                                                              |                      |                      |
| Wages and salaries                                                                                                                             | 11,944               | 8,480                |
| Social security costs                                                                                                                          | 1,073                | 750                  |
| Pension costs                                                                                                                                  | 3,383                | 1,589                |
|                                                                                                                                                | <u>16,400</u>        | <u>10,819</u>        |
| Agency staff costs                                                                                                                             | 288                  | 164                  |
|                                                                                                                                                | <u>16,688</u>        | <u>10,983</u>        |
| <b>(b) Non statutory/non-contractual staff severance payments</b>                                                                              |                      |                      |
| Included in staff costs are non-statutory/non-contractual severance payments totalling £5,396 (2019: £15,761). This is made up of one payment. |                      |                      |
| <b>(c) Staff numbers</b>                                                                                                                       |                      |                      |
| The average number of persons (including senior management team) employed by the trust during the year was as follows:-                        |                      |                      |
|                                                                                                                                                | <u>2020</u>          | <u>2019</u>          |
|                                                                                                                                                | No                   | No                   |
| Teachers                                                                                                                                       | 228                  | 176                  |
| Administration & support                                                                                                                       | 222                  | 151                  |
| Management                                                                                                                                     | 9                    | 5                    |
|                                                                                                                                                | <u>459</u>           | <u>332</u>           |

**Areté Learning Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**9 STAFF (continued)**

**(d) Higher paid staff**

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

|                     | <u>2020</u> | <u>2019</u> |
|---------------------|-------------|-------------|
|                     | No          | No          |
| £70,000 - £80,000   | 2           | 2           |
| £80,000 - £90,000   | 1           | 1           |
| £90,000 - £100,000  | 1           | -           |
| £110,000 - £120,000 | 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 national insurance) received by key management personnel for their services to the academy trust was £638,058 (2019: £478,188).

**CENTRAL SERVICES**

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

- human resources
- payroll
- finance
- continued professional development
- school improvement
- website development and maintenance
- governance
- capital project maintenance
- recruitment
- project management

The academy trust charges 3% of GAG to cover these services.

The actual amounts charged during the year were as follows:

|                      | <u>2020</u> |
|----------------------|-------------|
|                      | £'000       |
| Stokesley School     | 164         |
| Richmond School      | 187         |
| Northallerton School | -           |
|                      | <hr/>       |
|                      | 351         |
|                      | <hr/> <hr/> |

No charge was made to Northallerton in its first year as the school had a history of financial deficit. The Trust decided to fund the first year to ease transition.

**10 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES**

One Trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO only receives remuneration in respect of services that she provides undertaking the role of CEO under her contract of employment. The value of the trustees' remuneration and other benefits was as follows:-

C Brooker (CEO & trustee)  
Remuneration £115,000 - £120,000 (2019: £115,000 - £120,000)  
Employers' pension contributions paid £Nil (2019: £Nil)

During the year ended 31 August 2020 and 31 August 2019 no travel and expenses payments were reimbursed or paid directly to trustees.

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**Notes to the Financial Statements**  
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**11 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2020 was £1,336. The cost of this insurance is included in the total insurance cost.

**12 TANGIBLE FIXED ASSETS**

|                          | <b><u>Long<br/>Leasehold<br/>Buildings</u></b> | <b><u>Furniture<br/>&amp;<br/>Equipment</u></b> | <b><u>Assets in the<br/>Course of<br/>Construction</u></b> | <b><u>Computer<br/>Hardware</u></b> | <b><u>Total</u></b> |
|--------------------------|------------------------------------------------|-------------------------------------------------|------------------------------------------------------------|-------------------------------------|---------------------|
|                          | <b><u>£'000</u></b>                            | <b><u>£'000</u></b>                             | <b><u>£'000</u></b>                                        | <b><u>£'000</u></b>                 | <b><u>£'000</u></b> |
| <b>COST:</b>             |                                                |                                                 |                                                            |                                     |                     |
| At 1 September 2019      | 36,127                                         | 243                                             | 1                                                          | 374                                 | 36,745              |
| Additions                | 31                                             | 32                                              | 535                                                        | 103                                 | 701                 |
| Revaluation              | -                                              | -                                               | -                                                          | -                                   | -                   |
| Transfers                | -                                              | -                                               | -                                                          | -                                   | -                   |
| <b>At 31 August 2020</b> | <b>36,158</b>                                  | <b>275</b>                                      | <b>536</b>                                                 | <b>477</b>                          | <b>37,446</b>       |
| <b>DEPRECIATION:</b>     |                                                |                                                 |                                                            |                                     |                     |
| At 1 September 2019      | 1,432                                          | 106                                             | -                                                          | 193                                 | 1,731               |
| Charge in year           | 566                                            | 32                                              | -                                                          | 119                                 | 717                 |
| <b>At 31 August 2020</b> | <b>1,998</b>                                   | <b>138</b>                                      | <b>-</b>                                                   | <b>312</b>                          | <b>2,448</b>        |
| <b>NET BOOK VALUE:</b>   |                                                |                                                 |                                                            |                                     |                     |
| At 31 August 2020        | 34,160                                         | 137                                             | 536                                                        | 165                                 | 34,998              |
| At 31 August 2019        | 34,695                                         | 137                                             | 1                                                          | 181                                 | 35,014              |

**13 FIXED ASSET INVESTMENTS**

|                                     | <b><u>2020</u></b>  | <b><u>2019</u></b>  |
|-------------------------------------|---------------------|---------------------|
|                                     | <b><u>£'000</u></b> | <b><u>£'000</u></b> |
| <b>Listed investments</b>           |                     |                     |
| Fair value brought forward          | 107                 | 100                 |
| Invested in year                    | 100                 | -                   |
| Withdrawn in year                   | (5)                 | (9)                 |
| Increase/(decrease) in market value | (1)                 | 16                  |
|                                     | <b>201</b>          | <b>107</b>          |

**14 DEBTORS**

|                                | <b><u>2020</u></b>  | <b><u>2019</u></b>  |
|--------------------------------|---------------------|---------------------|
|                                | <b><u>£'000</u></b> | <b><u>£'000</u></b> |
| Trade debtors                  | 8                   | 14                  |
| Prepayments and accrued income | 2,103               | 221                 |
| Other debtors                  | 9                   | 3                   |
| VAT recoverable                | 126                 | 74                  |
|                                | <b>2,246</b>        | <b>312</b>          |

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**for the Year Ended 31 August 2020**

**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                     | <u>2020</u><br>£'000 | <u>2019</u><br>£'000 |
|-------------------------------------|----------------------|----------------------|
| Trade creditors                     | 194                  | 161                  |
| Other taxes and social security     | 288                  | 198                  |
| Other creditors                     | 325                  | 273                  |
| Accruals                            | 233                  | 97                   |
| Concessionary loans                 | 20                   | 11                   |
| Deferred income                     | 65                   | 45                   |
|                                     | <u>1,125</u>         | <u>785</u>           |
| <b>Deferred income</b>              |                      |                      |
| Deferred income at 1 September 2019 | 45                   | 42                   |
| Released from previous year         | (45)                 | (42)                 |
| Resources deferred in the year      | 65                   | 45                   |
|                                     | <u>65</u>            | <u>45</u>            |
| Deferred income at 31 August 2020   | <u>65</u>            | <u>45</u>            |

Deferred income is made up of devolved capital grant monies and catering income received in advance of the 2020/21 school year and SGO grant.

Included in other creditors is £25,199 (2019: £13,835) amounts relating to the 16-19 bursary. £42,704 was received and £17,505 was paid out by the trust.

**16 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR**

|                     | <u>2020</u><br>£'000 | <u>2019</u><br>£'000 |
|---------------------|----------------------|----------------------|
| Concessionary loans | <u>77</u>            | <u>96</u>            |

At the year end the trust had three salix loans outstanding from various energy efficiency projects and CIF projects with energy efficiency elements amounting to £40,675, of this £29,594 is repayable over 1 year. The trust also had an ESFA loan for the PE Block CIF project amounting to £55,792, of this £46,956 is repayable over 1 year. All are interest free. The loans are repayable over between 5 and 8 years. The total amount of concessionary loans committed at the year-end but not yet taken up is £28,435 (2019: £nil).

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**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**17 FUNDS**

|                                                       | <u>Balance at 1</u><br><u>September</u><br><u>2019</u><br>£'000 | <u>Incoming</u><br><u>Resources</u><br>£'000 | <u>Resources</u><br><u>Expended</u><br>£'000 | <u>Gains/losses</u><br><u>and</u><br><u>transfers</u><br>£'000 | <u>Inherited</u><br><u>on</u><br><u>Conversion</u><br>£'000 | <u>Balance at</u><br><u>31 August</u><br><u>2020</u><br>£'000 |
|-------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|
| <b>RESTRICTED GENERAL FUNDS</b>                       |                                                                 |                                              |                                              |                                                                |                                                             |                                                               |
| General annual grant                                  | 416                                                             | 16,626                                       | (16,194)                                     | (71)                                                           | -                                                           | 777                                                           |
| Start-up grant                                        | -                                                               | 169                                          | (169)                                        | -                                                              | -                                                           | -                                                             |
| Big Lottery                                           | 10                                                              | -                                            | (10)                                         | -                                                              | -                                                           | -                                                             |
| Ministry of Defence                                   | 20                                                              | -                                            | (20)                                         | -                                                              | -                                                           | -                                                             |
| Pupil premium                                         | -                                                               | 591                                          | (591)                                        | -                                                              | -                                                           | -                                                             |
| Other DfE group grants                                | 109                                                             | 1,271                                        | (1,313)                                      | -                                                              | -                                                           | 67                                                            |
| Local Authority                                       | 5                                                               | 107                                          | (112)                                        | -                                                              | -                                                           | -                                                             |
| School Trip income                                    | 5                                                               | 238                                          | (243)                                        | -                                                              | -                                                           | -                                                             |
| SSCO Partnership                                      | -                                                               | 27                                           | (27)                                         | -                                                              | -                                                           | -                                                             |
|                                                       | <u>565</u>                                                      | <u>19,029</u>                                | <u>(18,679)</u>                              | <u>(71)</u>                                                    | <u>-</u>                                                    | <u>844</u>                                                    |
| Pension reserve                                       | (3,975)                                                         | -                                            | (768)                                        | (942)                                                          | (1,596)                                                     | (7,281)                                                       |
|                                                       | <u>(3,410)</u>                                                  | <u>19,029</u>                                | <u>(19,447)</u>                              | <u>(1,013)</u>                                                 | <u>(1,596)</u>                                              | <u>(6,437)</u>                                                |
| <b>RESTRICTED FIXED ASSETS FUNDS</b>                  |                                                                 |                                              |                                              |                                                                |                                                             |                                                               |
| Transfer on conversion                                | 32,281                                                          | 6                                            | 553                                          | -                                                              | -                                                           | 31,728                                                        |
| DfE group capital grants/Capital expenditure from GAG | 2,779                                                           | 2,435                                        | (163)                                        | 71                                                             | -                                                           | 5,122                                                         |
|                                                       | <u>35,060</u>                                                   | <u>2,435</u>                                 | <u>(716)</u>                                 | <u>71</u>                                                      | <u>-</u>                                                    | <u>36,850</u>                                                 |
| <b>TOTAL RESTRICTED FUNDS</b>                         | <u>31,650</u>                                                   | <u>21,464</u>                                | <u>(20,163)</u>                              | <u>(942)</u>                                                   | <u>(1,596)</u>                                              | <u>30,413</u>                                                 |
| <b>TOTAL UNRESTRICTED FUNDS</b>                       | <u>1,139</u>                                                    | <u>798</u>                                   | <u>(652)</u>                                 | <u>-</u>                                                       | <u>-</u>                                                    | <u>1,285</u>                                                  |
| <b>TOTAL FUNDS</b>                                    | <u>32,789</u>                                                   | <u>22,262</u>                                | <u>(20,815)</u>                              | <u>(942)</u>                                                   | <u>(1,596)</u>                                              | <u>31,698</u>                                                 |

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward. The purpose of the grant is to fund the day to day running of the college.

The start up grant is to assist with the initial costs of a school becoming an academy.

Big Lottery funds were awarded under the Activities for All project which is given fund projects that: shape places and spaces that matter to the community.

Ministry of Defence grant was awarded from the Education Support Fund to support children who have a parent serving in the armed forces.

Pupil premium grant is received from the ESFA in order to approve the attainment of disadvantaged children.

Other DfE and government grants includes Teachers pay grant, emergency improvement fund, SGO grant, rates relief and year 7 catch up grant. Rates relief is paid to cover the cost of the rates paid to the local authority. Year 7 catch up grant is paid to help children who have fallen behind at the primary stage catch up.

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**17 FUNDS (continued)**

The Local Authority funds were for Special Educational Needs to support those pupils that have learning or behavioural difficulties.

School trip income is received from parents/carers to cover the cost of children's educational visits.

The pension reserve represents the deficit of the LGPS.

Restricted fixed assets were funded by government grants, transferred from the local authority or received from third party contributors.

**Fund Transfers**

The funds transfer represent fixed assets purchased from the general restricted fund.

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

|                                                           | <b><u>Balance at 1</u></b><br><b><u>September</u></b><br><b><u>2019</u></b><br><b><u>£'000</u></b> | <b><u>Incoming</u></b><br><b><u>Resources</u></b><br><b><u>£'000</u></b> | <b><u>Resources</u></b><br><b><u>Expended</u></b><br><b><u>£'000</u></b> | <b><u>Gains/losses</u></b><br><b><u>and</u></b><br><b><u>transfers</u></b><br><b><u>£'000</u></b> | <b><u>Balance at</u></b><br><b><u>31 August</u></b><br><b><u>2020</u></b><br><b><u>£'000</u></b> |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>RESTRICTED GENERAL FUNDS</b>                           |                                                                                                    |                                                                          |                                                                          |                                                                                                   |                                                                                                  |
| General annual grant                                      | 406                                                                                                | 11,643                                                                   | (11,474)                                                                 | (159)                                                                                             | 416                                                                                              |
| Big Lottery                                               | -                                                                                                  | 10                                                                       | -                                                                        | -                                                                                                 | 10                                                                                               |
| Ministry of Defence                                       | -                                                                                                  | 20                                                                       | -                                                                        | -                                                                                                 | 20                                                                                               |
| Other DfE group grants                                    | -                                                                                                  | 787                                                                      | (678)                                                                    | -                                                                                                 | 109                                                                                              |
| Pupil premium                                             | -                                                                                                  | 374                                                                      | (374)                                                                    | -                                                                                                 | -                                                                                                |
| Local Authority                                           | -                                                                                                  | 87                                                                       | (82)                                                                     | -                                                                                                 | 5                                                                                                |
| School Trip income                                        | 3                                                                                                  | 307                                                                      | (305)                                                                    | -                                                                                                 | 5                                                                                                |
| SSCO Partnership                                          | -                                                                                                  | 75                                                                       | (75)                                                                     | -                                                                                                 | -                                                                                                |
|                                                           | <u>409</u>                                                                                         | <u>13,303</u>                                                            | <u>(12,988)</u>                                                          | <u>(159)</u>                                                                                      | <u>565</u>                                                                                       |
| Pension reserve                                           | (2,658)                                                                                            | -                                                                        | (202)                                                                    | (1,115)                                                                                           | (3,975)                                                                                          |
|                                                           | <u>(2,249)</u>                                                                                     | <u>13,303</u>                                                            | <u>(13,190)</u>                                                          | <u>(1,274)</u>                                                                                    | <u>(3,410)</u>                                                                                   |
| <b>RESTRICTED FIXED ASSETS FUNDS</b>                      |                                                                                                    |                                                                          |                                                                          |                                                                                                   |                                                                                                  |
| Transfer on conversion                                    | 41,556                                                                                             | -                                                                        | (490)                                                                    | (8,785)                                                                                           | 32,281                                                                                           |
| DfE group capital grants/<br>Capital expenditure from GAG | 2,550                                                                                              | 189                                                                      | (119)                                                                    | 159                                                                                               | 2,779                                                                                            |
|                                                           | <u>44,106</u>                                                                                      | <u>189</u>                                                               | <u>(609)</u>                                                             | <u>(8,626)</u>                                                                                    | <u>35,060</u>                                                                                    |
| <b>TOTAL RESTRICTED FUNDS</b>                             | <u>41,857</u>                                                                                      | <u>13,492</u>                                                            | <u>(13,799)</u>                                                          | <u>(9,900)</u>                                                                                    | <u>31,650</u>                                                                                    |
| <b>TOTAL UNRESTRICTED FUNDS</b>                           | <u>1,074</u>                                                                                       | <u>700</u>                                                               | <u>(651)</u>                                                             | <u>16</u>                                                                                         | <u>1,139</u>                                                                                     |
| <b>TOTAL FUNDS</b>                                        | <u>42,931</u>                                                                                      | <u>14,192</u>                                                            | <u>(14,450)</u>                                                          | <u>(9,884)</u>                                                                                    | <u>32,789</u>                                                                                    |

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**17 FUNDS (continued)**

|                             | <u>2020</u><br>£'000 | <u>2019</u><br>£'000 |
|-----------------------------|----------------------|----------------------|
| Stokesley School            | 1,061                | 931                  |
| Richmond School             | 754                  | 681                  |
| Northallerton School        | 565                  |                      |
| Trust                       | (251)                | 92                   |
|                             | <u>2,129</u>         | <u>1,704</u>         |
| Restricted Fixed Asset Fund | 36,850               | 35,060               |
| Pension Reserve             | (7,281)              | (3,975)              |
|                             | <u>31,698</u>        | <u>32,789</u>        |

As disclosed in note 3, the accounts include accrued income for three capital projects which are incomplete at the year end. The restricted fixed asset fund includes £1,452,248 (Stokesley) and £473,607 (Richmond) in respect of these projects.

**Total cost analysis**

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

|                      | <u>Teaching<br/>and<br/>educational<br/>support staff<br/>costs</u><br>£'000 | <u>Other<br/>support<br/>staff<br/>costs</u><br>£'000 | <u>Educational<br/>supplies</u><br>£'000 | <u>Other costs<br/>(excluding<br/>depreciation)</u><br>£'000 | <u>Total<br/>2020</u><br>£'000 | <u>Total<br/>2019</u><br>£'000 |
|----------------------|------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------|--------------------------------------------------------------|--------------------------------|--------------------------------|
| Stokesley school     | 4,406                                                                        | 941                                                   | 322                                      | 652                                                          | 6,321                          | 6,045                          |
| Richmond school      | 5,284                                                                        | 801                                                   | 373                                      | 946                                                          | 7,404                          | 7,132                          |
| Northallerton school | 3,947                                                                        | 854                                                   | 176                                      | 704                                                          | 5,681                          |                                |
| Trust                | 144                                                                          | 311                                                   | 23                                       | 214                                                          | 692                            | 664                            |
|                      | <u>13,781</u>                                                                | <u>2,907</u>                                          | <u>894</u>                               | <u>2,516</u>                                                 | <u>20,098</u>                  | <u>13,841</u>                  |

**Areté Learning Trust**  
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**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2020 are represented by:-

|                          | <b><u>Unrestricted</u></b> | <b><u>Restricted</u></b> | <b><u>Restricted</u></b> | <b><u>2020</u></b>  |
|--------------------------|----------------------------|--------------------------|--------------------------|---------------------|
|                          | <b><u>Funds</u></b>        | <b><u>General</u></b>    | <b><u>Fixed</u></b>      | <b><u>Total</u></b> |
|                          | <b><u>£'000</u></b>        | <b><u>Funds</u></b>      | <b><u>Asset</u></b>      | <b><u>Funds</u></b> |
|                          |                            | <b><u>£'000</u></b>      | <b><u>Funds</u></b>      | <b><u>£'000</u></b> |
| Tangible fixed assets    | -                          | -                        | 34,998                   | 34,998              |
| Investments              | -                          | 201                      | -                        | 201                 |
| Current assets           | 1,285                      | 1,845                    | 1,852                    | 4,982               |
| Current liabilities      | -                          | (1,125)                  | -                        | (1,125)             |
| Non-current liabilities  | -                          | (77)                     | -                        | (77)                |
| Pension scheme liability | -                          | (7,281)                  | -                        | (7,281)             |
| <b>Total net assets</b>  | <b>1,285</b>               | <b>(6,437)</b>           | <b>36,850</b>            | <b>31,698</b>       |

Comparative information to 31 August 2019:

|                          | <b><u>Unrestricted</u></b> | <b><u>Restricted</u></b> | <b><u>Restricted</u></b> | <b><u>2019</u></b>  |
|--------------------------|----------------------------|--------------------------|--------------------------|---------------------|
|                          | <b><u>Funds</u></b>        | <b><u>General</u></b>    | <b><u>Fixed</u></b>      | <b><u>Total</u></b> |
|                          | <b><u>£'000</u></b>        | <b><u>Funds</u></b>      | <b><u>Asset</u></b>      | <b><u>Funds</u></b> |
|                          |                            | <b><u>£'000</u></b>      | <b><u>Funds</u></b>      | <b><u>£'000</u></b> |
| Tangible fixed assets    | -                          | -                        | 35,014                   | 35,014              |
| Investments              | -                          | 107                      | -                        | 107                 |
| Current assets           | 1,139                      | 1,339                    | 46                       | 2,524               |
| Current liabilities      | -                          | (785)                    | -                        | (785)               |
| Non-current liabilities  | -                          | (96)                     | -                        | (96)                |
| Pension scheme liability | -                          | (3,975)                  | -                        | (3,975)             |
| <b>Total net assets</b>  | <b>1,139</b>               | <b>(3,410)</b>           | <b>35,060</b>            | <b>32,789</b>       |

**19 CAPITAL COMMITMENTS**

|                                                              | <b><u>2020</u></b>  | <b><u>2019</u></b>  |
|--------------------------------------------------------------|---------------------|---------------------|
|                                                              | <b><u>Total</u></b> | <b><u>Total</u></b> |
|                                                              | <b><u>£'000</u></b> | <b><u>£'000</u></b> |
| Contracted for, but not provided in the financial statements | 1,798               | -                   |

**20 COMMITMENTS UNDER OPERATING LEASES**

**Operating leases**

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

|                                  | <b><u>2020</u></b>  | <b><u>2019</u></b>  |
|----------------------------------|---------------------|---------------------|
|                                  | <b><u>Total</u></b> | <b><u>Total</u></b> |
|                                  | <b><u>£'000</u></b> | <b><u>£'000</u></b> |
| Amounts within one year          | 101                 | 73                  |
| Amounts within two to five years | 76                  | 88                  |
|                                  | <b>177</b>          | <b>161</b>          |

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**21 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

|                                                                                                | <u>2020</u><br><u>Total</u><br>£'000 | <u>2019</u><br><u>Total</u><br>£'000 |
|------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Net (expenditure)/income for the reporting year (as per the statement of financial activities) | (149)                                | (258)                                |
| Adjusted for:                                                                                  |                                      |                                      |
| Depreciation (note 12)                                                                         | 717                                  | 609                                  |
| Capital Grants from DfE                                                                        | (2,429)                              | (189)                                |
| Interest receivable (note 6)                                                                   | (11)                                 | (5)                                  |
| Defined benefit pension scheme obligations inherited (note 24)                                 | 1,596                                | -                                    |
| Defined benefit pension scheme cost less contributions payable (note 24)                       | 666                                  | 133                                  |
| Defined benefit pension scheme finance costs (note 24)                                         | 102                                  | 69                                   |
| <br>(Increase)/decrease in debtors                                                             | <br>(1,934)                          | <br>155                              |
| Increase/(decrease) in creditors                                                               | 331                                  | 130                                  |
| <br><b>Net cash (used in)/provided by operating activities</b>                                 | <br><b>(1,111)</b>                   | <br><b>644</b>                       |

**CASH FLOW FROM FINANCING ACTIVITIES**

|                                                                | <u>2020</u><br><u>Total</u><br>£'000 | <u>2019</u><br><u>Total</u><br>£'000 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Cash inflows from new borrowing                                | -                                    | 56                                   |
| Repayments or borrowing                                        | (10)                                 | (11)                                 |
| <br><b>Net cash (used in)/provided by financing activities</b> | <br><b>(10)</b>                      | <br><b>45</b>                        |

**CASH FLOW FROM INVESTING ACTIVITIES**

|                                                                | <u>2020</u><br><u>Total</u><br>£'000 | <u>2019</u><br><u>Total</u><br>£'000 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest receivable                                            | 11                                   | 5                                    |
| Purchase of tangible fixed assets                              | (701)                                | (638)                                |
| Capital grants from DfE and other capital income               | 1,837                                | 189                                  |
| Capital funding received from sponsors and others              | 592                                  | -                                    |
| Invested in year                                               | (100)                                | -                                    |
| Withdrawn from fixed asset investment                          | 6                                    | 9                                    |
| <br><b>Net cash provided by/(used in) investing activities</b> | <br><b>1,645</b>                     | <br><b>(435)</b>                     |

**22 ANALYSIS OF CASH AND CASH EQUIVALENTS**

|                          | <u>2020</u><br><u>Total</u><br>£'000 | <u>2019</u><br><u>Total</u><br>£'000 |
|--------------------------|--------------------------------------|--------------------------------------|
| Cash at bank and in hand | 2,236                                | 1,512                                |
| Notice deposits          | 500                                  | 700                                  |
|                          | <b>2,736</b>                         | <b>2,212</b>                         |

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**for the Year Ended 31 August 2020**

**23 ANALYSIS OF CHANGES IN NET DEBT**

|                                   | <b><u>Balance at 1</u></b><br><b><u>September</u></b><br><b><u>2019</u></b><br><b><u>£'000</u></b> | <b><u>Cash flow</u></b><br><b><u>£'000</u></b> | <b><u>Balance at</u></b><br><b><u>31 August</u></b><br><b><u>2020</u></b><br><b><u>£'000</u></b> |
|-----------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Net cash</b>                   |                                                                                                    |                                                |                                                                                                  |
| Cash at bank and in hand          | 2,212                                                                                              | 524                                            | 2,736                                                                                            |
| Loans falling due within one year | 11                                                                                                 | 9                                              | 20                                                                                               |
| Loans falling due after one year  | 96                                                                                                 | (19)                                           | 77                                                                                               |
|                                   | <hr/>                                                                                              | <hr/>                                          | <hr/>                                                                                            |
| <b>Total net assets</b>           | <b><u>2,319</u></b>                                                                                | <b><u>514</u></b>                              | <b><u>2,833</u></b>                                                                              |

**24 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 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.

**25 PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £296,151 (2019: £163,995) were payable to the schemes at 31 August 2020 and are included within creditors.

**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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million.

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**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**25 PENSION COMMITMENTS (continued)**

- the SCAPE rate, set by HMT is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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

The pension costs paid to TPS in the period amounted to £1,996,000 (2019: £993,000).

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 a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £776,000 (2019: £494,000), of which the employer's contributions totalled £611,000 (2019: £394,000) and employees' contributions totalled £165,000 (2019: £100,000). The agreed contribution rates for future years are 20.4% (Stokesley School) 20.3% (Richmond School) and 19.5% (Northallerton School) for employers and range from 5.5 to 8.5 percent 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**

|                                                   | <b><u>31 August</u></b><br><b><u>2020</u></b> | <b><u>31 August</u></b><br><b><u>2019</u></b> |
|---------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
|                                                   | % per annum                                   | % per annum                                   |
| Rate of increase in salaries                      | 3.55                                          | 3.35                                          |
| Rate of increase in pensions in payment/inflation | 2.30                                          | 2.10                                          |
| Discount rate for scheme liabilities              | 1.70                                          | 1.90                                          |
| Inflation assumption (CPI)                        | 2.30                                          | 2.10                                          |

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

|                      | <b><u>31 August</u></b><br><b><u>2020</u></b> | <b><u>31 August</u></b><br><b><u>2019</u></b> |
|----------------------|-----------------------------------------------|-----------------------------------------------|
| Retiring today       |                                               |                                               |
| Males                | 21.8                                          | 21.9                                          |
| Females              | 23.9                                          | 25.1                                          |
| Retiring in 20 years |                                               |                                               |
| Males                | 23.5                                          | 23.6                                          |
| Females              | 25.7                                          | 26.9                                          |

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**Notes to the Financial Statements**  
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**25 PENSION COMMITMENTS (continued)**

**Sensitivity analysis**

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

|                              | <b><u>Fair Value</u></b><br><b><u>at 31</u></b><br><b><u>August</u></b><br><b><u>2020</u></b><br><b><u>£'000</u></b> | <b><u>Fair Value</u></b><br><b><u>at 31</u></b><br><b><u>August</u></b><br><b><u>2019</u></b><br><b><u>£'000</u></b> |
|------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Equity instruments           | 3,904                                                                                                                | 1,969                                                                                                                |
| Debt instruments             | 1,414                                                                                                                | 660                                                                                                                  |
| Property                     | 452                                                                                                                  | 258                                                                                                                  |
| Cash and other               | 1,309                                                                                                                | 514                                                                                                                  |
|                              | <hr/>                                                                                                                | <hr/>                                                                                                                |
| Total market value of assets | 7,079                                                                                                                | 3,401                                                                                                                |
|                              | <hr/> <hr/>                                                                                                          | <hr/> <hr/>                                                                                                          |

The actual return on the scheme assets in the year was £765,000 (2019: £174,000).

**Amounts recognised in the statement of financial activities:-**

|                                 | <b><u>2020</u></b><br><b><u>£'000</u></b> | <b><u>2019</u></b><br><b><u>£'000</u></b> |
|---------------------------------|-------------------------------------------|-------------------------------------------|
| Current service costs           | (532)                                     | (133)                                     |
| Past service costs              | (134)                                     | -                                         |
| Interest income                 | 111                                       | 84                                        |
| Interest cost                   | (213)                                     | (153)                                     |
|                                 | <hr/>                                     | <hr/>                                     |
| Total amount recognised in SOFA | (768)                                     | (202)                                     |
|                                 | <hr/> <hr/>                               | <hr/> <hr/>                               |

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

|                           | <b><u>2020</u></b><br><b><u>£'000</u></b> | <b><u>2019</u></b><br><b><u>£'000</u></b> |
|---------------------------|-------------------------------------------|-------------------------------------------|
| <b>At 1 September</b>     | 7,376                                     | 5,471                                     |
| Inherited Upon conversion | 3,648                                     | -                                         |
| Current service cost      | 1,277                                     | 525                                       |
| Interest cost             | 213                                       | 153                                       |
| Actuarial (losses)/gains  | 1,596                                     | 1,204                                     |
| Benefits paid             | 85                                        | (78)                                      |
| Employee contributions    | 165                                       | 101                                       |
|                           | <hr/>                                     | <hr/>                                     |
| <b>At 31 August</b>       | 14,360                                    | 7,376                                     |
|                           | <hr/> <hr/>                               | <hr/> <hr/>                               |

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**Notes to the Financial Statements**  
**for the Year Ended 31 August 2020**

**25 PENSION COMMITMENTS (continued)**

**Movement in the fair value of Academy Trust's share of scheme assets:-**

|                           | <u>2020</u>  | <u>2019</u>  |
|---------------------------|--------------|--------------|
|                           | <u>£'000</u> | <u>£'000</u> |
| <b>At 1 September</b>     | <b>3,401</b> | <b>2,813</b> |
| Inherited upon conversion | 2,052        | -            |
| Interest income           | 111          | 84           |
| Actuarial gains/(losses)  | 654          | 90           |
| Employer contributions    | 611          | 392          |
| Employee contributions    | 165          | 100          |
| Benefits paid             | 85           | (78)         |
|                           | <hr/>        | <hr/>        |
| <b>At 31 August 2019</b>  | <b>7,079</b> | <b>3,401</b> |
|                           | <hr/>        | <hr/>        |

**26 AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020, the trust received £42,704 (2019: £23,891) and disbursed £17,505 (2019: £14,391).

An amount of £25,199 (2019: £13,831) is included in other creditors relating to undistributed funds that is carried forward for distribution to students in the period ending 31 August 2021.

**27 RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

**28 POST BALANCE SHEET EVENTS**

Areté Learning Trust entered into a lease agreement with North Yorkshire County Council on 1 November 2020 with regards to the refurbishment of the former Allertonshire School. A joint use agreement with Hambleton District Council in respect of the MUGA novated with this.

Areté Learning Trust has received and accepted a formal capital funding award of £8,879,880 for the condition and suitability works at the above site.