



South Bank Multi Academy Trust

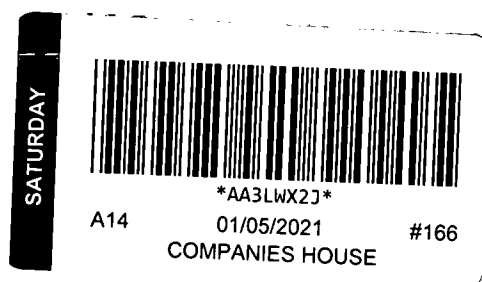
(A company Limited by Guarantee)

Annual Report & Financial Statements

Financial Year 1 September 2019 to 31 August 2020

Company Registration Number 10067116

(England & Wales)



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Reference and Administrative Details

Members	Dr Alison Birkinshaw OBE Shauna Finch Edwin Thomas Dr Claire Antrobus Peter Quinn
Trustees	Edwin Thomas (chair) Reuben Barrett (resigned 14 March 2020) Robin Bennett (appointed 1 April 2020) Michelle Blake (appointed 1 April 2020) Patricia Boyle Martin Frost (resigned 14 March 2020) Jill Donaldson Hodges (vice chair to 7 July 2020) Susan Laycock (appointed 1 September 2020) Gemma Lowe (appointed 1 September 2020) Richard Milner Andrea Preston (resigned 1 September 2020) Helen Priestley (resigned 14 March 2020) Martyn Sibley (appointed 1 September 2020) Ian Wiggins (vice chair from 7 July 2020)
Trust Principal/Accounting Officer	Jo Edwards (retired 31 August 2020) Adam Cooper (Interim - appointed 1 September 2020)
Headteacher Group	Jo Edwards (retired 31 August 2020) Trevor Burton Adam Cooper Paul Edwards Hannah Gibson Gemma Greenhalgh Vicki Kerr James McGann Rod Sims
Chief Finance Officer	Michael Gidley
Company Name	South Bank Multi Academy Trust

Principal and Registered Office	Woodthorpe Primary School Summerfield Road Woodthorpe York England YO24 2RU
Company Registration Number	10067116 (England and Wales)
Independent Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street YORK YO24 1AH
Internal Auditor	Forrester Boyd Chartered Accountants 26 South Saint Mary's Gate Grimsby Lincolnshire DN31 1LW
Bankers	Lloyds Bank plc 45 Hustlergate BRADFORD West Yorkshire BD1 1NT
Solicitors	First North Law County Hall Northallerton North Yorkshire DL7 8AD

Trustees' Report

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

The trust operates three primary academies, for pupils aged 3 to 11, one junior academy for pupils aged 7 to 11 and two secondary academies, for pupils aged 11 to 16, all located in the South Bank and west areas of York. Its academies have a combined pupil capacity of 3,616, with 3,284 on roll in the October 2020 school census and 70 nursery pupils. Across the Trust the MAT employed 513 staff during 2019/20.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of South Bank Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as South Bank Multi Academy Trust and trades as: Knavesmire Primary School, Scarcroft Primary School, Woodthorpe Primary School, Carr Junior School, Millthorpe School and York High School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

The Trust, through its Articles, has indemnified the Trustees to the fullest extent permissible by law. During this period the Trust also purchased and maintained liability insurance for its Trustees through the Risk Protection Arrangement, to a maximum of £10,000,000 per loss per year.

Method of Recruitment and Appointment or Election of Trustees

Under the Articles, the Members may appoint by ordinary resolution up to six Trustees. The Trustees may also appoint Co-opted Trustees. The term of office for any Trustee shall be four

years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-elected or re-appointed.

The Trustees have been carefully selected to establish a broad and effective skill set. Under the Trust's Statement of Principles, Members and Trustees ensure that the Board of Trustees achieves a balance between three core areas of expertise: education; governance; and commerce/business, specifically finance, human resources and law. All vacancies are advertised as widely as possible in the Trust's community and beyond, to attract the broadest range of well-qualified candidates. All appointments are skills-based, and decided on the basis of a competitive application and interview process.

During 2019/20 four trustees completed their term of office and stepped away from the board. The Trust has appointed five new Trustees as replacements, four from our community and one via Indeed. These appointments added a range of skills, but particularly expertise in law, HR, premises and institutional governance.

At least two elected parent governors are part of each Local Governing Body.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are provided with induction training on commencement of their roles. This is followed up with bespoke training sessions covering governance, school finance and school standards. The Chair also meets with all trustees individually to establish their training needs.

The Trust holds bi-annual Strategic Away Days for trustees, which include a training component based on the training needs the trustees have identified themselves. These have included:

- The Curriculum Offer
- Communications and Collaboration
- The formulation of a Growth Strategy
- The refinement of the Trust's existing Strategy Plan

The Trust buys into the City of York Council governor advice and training service, through which trustees are able to access training offered by the Local Authority. Information about these opportunities is circulated to all trustees and trustees are encouraged to attend relevant sessions. We also subscribe to the National Governance Association and the Confederation of School Trusts who provide advice and guidance along with training opportunities to trustees and governors.

Organisational Structure

The Members of the Trust act as custodians of the Trust's vision and values. They take a hands-off strategic view of the Trust, and act as a 'check and balance' on the Trustees.

Trustees are responsible for overseeing the management and administration of the Trust and are accountable to the Members. They ensure that the Trust successfully delivers on its aims in a transparent and accountable manner. They provide entrepreneurial leadership of the Trust within a framework of prudent and effective controls which enables risks to be assessed and managed. They support and challenge the Trust management (Trust Principal, Headteacher Group and Chief Finance Officer). They set the strategic direction of the Trust, ensuring that the necessary financial and human resources are in place for the Trust to meet its objectives. They approve Trust-wide policies, bi-annual budgets, the annual Trust Development Plan, and monitor the effectiveness of Local Governing Bodies. The Trustees appoint the Trust Principal, the Chief Finance Officer the Executive Headteachers directly and Headteachers and Heads of School all in consultation with the Local Governing Boards.

The Trustees have established two subcommittees:

1. Finance and Audit
2. Education and Standards

and a working group for Health, Safety and Safeguarding consisting of a trustee, the Trust Principal and representatives from each Local Governing Body.

The Trust Principal is the Trust's Accounting Officer. The Trust Principal and the Headteachers form the Headteacher Group who, together with the Chief Finance Officer, are responsible for implementing the policies determined by the Trustees and leading school improvement across the Trust. The Trust Principal also line manages the Chief Finance Officer.

Local Governing Boards are accountable for standards, staffing, and expenditure within approved budgets in their respective schools.

The Trust aims for complete separation between the different levels of governance so that no individual sits at more than one level. The exceptions to this rule are the Chair of Trustees, who is also a Member; and two governors who sit on the Trust's sub-committees to add expertise. From time to time a Trustee, including the Chair, may be appointed as interim Chair of Governors in a school requiring governance support, but these are time-limited appointments and are always referred to the RSC for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are: the Trustees, the Trust Principal, Executive Headteachers, Headteachers Heads of School and the Chief Finance Officer.

Determination of the pay and remuneration of Heads of School is delegated to the Local Governing Boards and Executive Headteacher of their respective schools where there is one pay point rise; any further pay rises must first be approved by the Trust Board. Determination of the pay and remuneration of the Headteachers is a shared responsibility between the Local

Governing Board and the Trust Principal. Where additional payments to Headteachers are recommended, the Trust Board will take advice from the performance management panel before making their decisions. The performance management of Executive Headteachers is undertaken by the Trust Principal and the Chairs of Governors of the schools they serve; the Trust Board takes their recommendations into consideration when agreeing any pay awards. The pay and remuneration of the Trust Principal (in respect of that role) and the Chief Finance Officer are determined by the Trustees and are reviewed annually based on their overall performance and also their performance against specific appraisal objectives. Trustees do not receive remuneration for their role as Trustees.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulation 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
3	2.1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	3
51%-99%	0
100%	0

Percentage of paybill spent on facility time

Provide the total cost of facility time	£10,124
Provide the total pay bill	£15,244,000
Provide the percentage of total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x 100	0.07%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	0.00%
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Related Parties and other Connected Charities and Organisations

The South Bank Multi Academy Trust works in cooperation with other educational organisations including:

- accepting teacher trainees through the Pathfinder Teaching School Alliance, the Ebor Teaching School Alliance, the Yorkshire Teaching School Alliance and the Universities of York and York St John.
- Carrying out school improvement activities for North Yorkshire schools on a paid basis.
- Providing peer review services to other academy trusts on a paid for basis.

There are no transactions with related parties requiring disclosure.

Engagement with Suppliers, Customers and Others in Business Relationships with the Trust

In our engagements, we always act in good faith in order to promote the success of South Bank Multi Academy Trust and the long-term relationships with our stakeholders.

We have a continuous process of communication with our students and parents using a variety of means, such as letters, news bulletins, telephone calls and emails. This has never been more important than during the COVID-19 pandemic where we have provided support, such as with remote education and free school meals.

We aim to deal with our suppliers with a high degree of integrity as we rely on them to help us provide supplies and services in order to operate our schools. During the COVID-19 pandemic, we have carefully considered the procurement policy notes (PPN 02/20 and PPN 04/20) and applied these to provide support to certain key contractors in order to ensure supplier continuity after the pandemic ends.

We engage with the ESFA, Regional School's Commissioner, Local Authorities and other government agencies through reports, regular meetings and the provision of timely information and returns.

Objectives and Activities

Objects and Aims

The Trust has two objects:

1. To manage and develop schools, offering a broad and balanced curriculum to advance education in the United Kingdom for the public benefit.
2. To promote and provide facilities for recreation and leisure time for the benefit of the inhabitants of its local area, in the interests of social welfare and with the object of improving the condition of life of the inhabitants.

The Trust aims to provide an excellent education for every child in its schools. The Trust offers an inclusive education, rooted in the community and working closely with the Local Authority and other local partners. The Trust respects and supports the unique strengths of each school, within a shared ethos of openness, collaboration and willingness to challenge.

The Trust's shared aims are:

- To facilitate collaboration and partnership working, in the best interests of all children and families within the locality.
- To work together to find effective solutions to meet school improvement challenges faced across the member academies, and in other local schools.
- To pool strengths, knowledge and skills in order to provide training and support for staff across the member academies.

Objectives, Strategies and Activities

The Trust's strategic objectives are to:

- Manage finances with robust oversight to ensure best value for money, using shared services to achieve best value and economies of scale.
- Sustain and improve the schools' academic standards through challenge and collaboration.
- Manage the internal organisation of the MAT to ensure maximum effectiveness, providing peer challenge and support for leaders at all levels.
- Manage the external growth of the MAT to ensure the company is sustainable and viable.
- Sustain and improve the MAT's reputation among its key stakeholders and community.

The key steps and success criteria for achieving these objectives are set out in detail in the 3 year Trust Strategy Plan 2018-2021. A particular focus this year is on vulnerable children; narrowing the gap and catch up; health and safety and continued learning during illness and pandemic; pupil and staff wellbeing; and managing budgets whilst being proactive with funding opportunities.

These are directed towards school priorities reflected in School Development and Improvement Plans.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives. Details of how the Trust's activities delivered public benefit are given in the section under achievements and performance.

Strategic Report

In 2018/19 the Trust Board, Local Governing Boards and School leaders pledged to improve outcomes for Disadvantaged pupils. This was signed by the Chair of Trustees and the Trust Principal and displayed in every setting. The pledge led to inter-Trust challenge at Members, Trustee, LGB and staff level to ensure that Disadvantaged pupils continue to be a key priority and focus during 2019/20 and beyond.

Achievements and Performance

Key Performance Indicators

Carr Junior School:

Capacity: 360

On Roll: 299 (October 2020)

Ofsted grade: Requires Improvement (January 2018).

Carr Junior School joined the Trust 1 May 2019. The Headteacher at Knavesmire School was appointed Executive Headteacher between May 2019 and August 2020 over both schools to support the Deputy Headteacher, who stepped up to the role of Head of School, until a permanent Headteacher appointment could be made. The Head of School has subsequently been appointed as permanent Headteacher. The Chair of Governors and some long serving governors stepped down in the summer of 2019. The Trust Chair of Governors, an NLG, acted as the Chair of the local governing board in preparation for appointing a permanent Chair of Governors. Joint Chairs have been appointed, with a Chair mentor from another trust school. There is a focus on developing the skill sets of the new LGB members.

The school benefitted from the City of York Council YSAB group funding to develop subject leaders, personal and social development, governance and use of PP funding. This sense of focus continues to drive the school forward, and Trust self-review assesses the school at a Good school. The school seeks a third year of successful results to be able to state this with confidence.

In 2019, KS2 Maths was well above national average for a second year running 91% expected and 33% good level. KS2 Reading and Writing were at expected and good levels also maintained progress measures that met national expectations. The school had positive KS2 progress in all tested subjects for all and disadvantaged pupils. Throughout 2020 Covid-19 lockdown the school has continued to offer homelearning and well-being offers, with enhanced offers for vulnerable families.

Knavesmire Primary School:

Capacity: 420 (excluding nursery)

On Roll: 409 (October 2020)

Ofsted grade: Outstanding (November 2007) confirmed interim inspection (April 2011)

As one of the founding schools of the Trust, Knavesmire continues to demonstrate outcomes at and well above national expectations at EYFS, KS1 and KS2. It is a proactive school within the Trust leading on primary data, the Arts and international links.

Student outcomes continue to be above national averages in all areas.

Through 2020 Covid-9 lockdown, the school opened for Key Worker and Vulnerable pupils and extended to other year groups when permitted. An extensive offer targetting pupil and family well-being was implemented and sustained focussing on preparation for the recovery curriculum.

The Headteacher stepped up to be Executive Headteacher from May 2019 to August 2020 in support of Carr Junior School. This allowed the experienced Deputy Head to act in the position of Head of School for a planned period of 16 months. With the substantive Knavesmire Headteacher acting as Interim Trust Principal, the Head of School position has been extended for a further year. This put the school in a position of strength with extended leadership capacity.

The school has benefitted from a number of Condition Improvement Fund (CIF) bids to repair the roof and windows.

Scarcroft Primary School:

Capacity: 420

On Roll: 389 (October 2020)

Ofsted grade: Outstanding (January 2009) reduced tariff inspection report.

Scarcroft Primary School was one of the founding schools of the Trust. The present Headteacher was appointed in September 2018 and has addressed many areas of need since taking up his post. Stakeholder feedback is increasingly positive. The school is proactive across the Trust and leads the Youth Parliament.

The Trust acted in support of the school and appointed a new Chair of Governors who then stepped down from her post Summer 2019. An experienced governor from a sister academy took on the role of Chair and succession planning of governor leadership has been put in place.

In 2019 outcomes for EYFS and KS1 were strong against nationals. KS2 results were maintained at and above national average. Through Covid-19 2020 lockdown, a bespoke school offer was resourced and implemented. This focused on pupil engagement and heavily targeting teacher follow up and accountability. This has proved successful in the reintegration of pupils into school.

The school is in a listed building that presents significant challenge to the LGB to maintain and develop.

Woodthorpe Primary School:

Capacity: 420 (excluding nursery)

On Roll: 392 (October 2020)

Ofsted grade: Good (December 2016)

Woodthorpe joined the Trust in October 2017 and the Central Services Team of the Trust relocated to the school site. The school is proactive within the Trust and leads on some teacher network events and leads cross school pupil sports events.

Outcomes at EYFS and KS1 are approximately at or above national in all areas. KS2 outcomes in Maths have improved significantly on previous years. The school is engaging with a City of York Council early years project to improve literacy skills. The Headteacher has a clear view of the direction of the school and the need for a 'sustainability of success' in its key target areas.

During the Covid-19 2020 lockdown, the school remote learning offer facilitated excellent take up and pupil engagement. There was an emphasis on disadvantaged families and support packages were put in place for those identified with need. School opened for Key Worker and Vulnerable pupils throughout, and offered places for other pupils as soon as permitted.

The school has benefitted from a number of CIF bids to repair the roof and replace windows.

Millthorpe School:

Capacity: 1,060

On Roll: 1,056 (October 2020)

Ofsted grade: Good (November 2018)

Millthorpe School was one of the founding schools of the Trust. In September 2017 the Headteacher began to support York High School which had been graded by Ofsted as Inadequate in their January 2017 inspection. The Headteacher became Executive Headteacher over both

schools in May 2018. A Head of School was appointed from September 2017 at Millthorpe and the internal leadership structure reorganised to meet the needs of both schools.

Throughout Covid-19 2020 lockdown, the school opened for Key Worker and Vulnerable pupils, additionally offering remote learning for all and targeted places for identified pupil groups.

In 2019 Progress 8 was +0.12 and for 2020, Progress 8 was +0.5.

York High School:

Capacity: 900

On Roll: 739 (October 2020)

Ofsted grade: Inadequate (Jan 2017)

York High School joined the Trust in May 2018 supported by a conversion package of £125,000 from DFE and £100,000 from York Schools and Academies Board (YSAB). They also funded an attendance officer, in 2019/20. The Executive Headteacher from Millthorpe was put in place and a Head of School appointed from the internal leadership team. The senior leadership team was under capacity until September 2019 when all vacancies, including SENCo, were filled. Subject specialists and heads of department were on long term absence or there were significant vacancies throughout 2018, however, by September 2019 this had been addressed and staffing was stable.

Throughout Covid-19 2020 lockdown, a bespoke remote learning offer supported all pupils coupled with targeted well-being support, with high levels of engagement. School opened for Key Worker and Vulnerable pupils throughout the lockdown.

As a result of the initiatives in 2019 Progress 8 rose to -0.23, a significant improvement on the previous year of -0.93. During 2020, Progress 8 improved further to +0.04.

Going Concern

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

Promoting the success of the trust

The trustees comply with their duties regarding Section 172(1) of the Companies Act 2006 through the implementation of a three year strategy plan, annual improvement and development plans for each school and reviewing three year financial planning.

Engagement with employees includes consultation with relevant unions through a Joint Negotiation and Consultative Committee, a trust wide Staff Development Day, school staff meetings and annual performance reviews.

The trust publishes extensive information, including policies, the annual report and accounts and meeting minutes in order to inform stakeholders on the trust's activities.

Financial Review

The number of schools in the Trust was stable for 2019/20 with six schools: two secondary, three primary and one junior school.

The major event of 2019/20 was the impact of COVID-19 on the operations of the schools in the trust. Schools have suffered from reduced income from the additional activities provided and this has particularly affected the primary phase schools offering wrap around care through after school clubs and nurseries.

The trust placed staff that deliver those activities affected by COVID-19 on furlough and claimed the CJRS grant from HMRC. Staff on furlough were paid 100% of their salary for the period. The trust has also received Exceptional costs grants from the DfE.

Savings have been made in a number of areas, such as energy use, catering and educational resources, which, together with the grants received, have partially offset the loss of income.

Overall the Trust is reporting an in-year surplus of £61k on revenue income.

The major source of funding for the MAT schools is the General Annual Grant (GAG). The process of moving to the national funding formula commenced from April 2018. Current indications are that some of our schools will benefit from the recent announcement of the increase in the minimum level of per pupil funding. Knavesmire Primary School, Scarcroft Primary School and Millthorpe School in particular benefit from such an uplift. It should be noted that current per-pupil funding in the City of York Local Authority is the second lowest of the 150 Local Authorities nationally and so financial efficiency remains a priority for the MAT. A key influence on total funding is of course pupil numbers.

Although all five of our academies are, or have recently been, growing, which is a benefit to the MAT as a whole, there are differences in the population demographics of areas in York over the next few years. The trust recognises that we will have to remain alert to how this will impact on pupil numbers at our schools. York High School looks to increase its student numbers towards capacity which means that the MAT will need to carefully manage lagged funding over the next few years.

Funding has been received from City of York YSAB to support school improvement work at York High School, along with a grant to support the work of our Chair of Trustees as a National Leader of Governance.

The Trust has also benefitted from a two successful Condition Improvement Fund bids, to the value of £1.59m in 2019/20, which have enabled the replacement of temporary buildings and windows at two of the schools. The improvement works continue into the 2020/21 financial year. In addition, School Condition Allocation grant of £262k has been recognised during 2019/20. School condition surveys have been carried out to inform the priorities for spending this grant.

Our main costs are wages and in particular, teacher salaries. Reviews by the Trust Board show that pupil-teacher ratios in our academies are generally in line with or better than national averages and our outcomes are largely higher than national averages, indicating that we continue to obtain value for money.

The Trust operates with a team of centralised Finance staff and continues to embed consistent processes across the academies. Support is provided for new schools joining the Trust who are required to move over to new financial procedures. We have a central Trust Business Manager, who provides additional capacity and support to the School Business Managers in the areas of HR, safeguarding, procurement and fundraising.

The Trust has remained in a positive cash position throughout the period and cashflow forecasts indicate that this will continue in the next financial period. As a result, it has been possible to transfer invest cash in short term higher interest deposit accounts with Lloyds.

The local government pension scheme (LGPS) employer contributions were revised during the year, following the 2019 triennial valuation, and remained stable overall. The deficit at 31 August has increased from £4.23m to £5.42m during the period. This increase is largely due to the impact of the pandemic on the corporate bond market used in the FRS102 valuation of the LGPS and may result in future increase in the employers contribution rate.

Reserves Policy

The Trustees review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the MAT has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The Trustees understand that they must ensure that the MAT has sufficient working funds to cover delays between receipt of grants and spending; in addition, the MAT must be able to deal with unexpected emergencies that may arise, such as urgent maintenance.

The Board has agreed that the Trust should aim for reserves of 4% of total revenue funding (£685,000).

The MAT's current level of general reserves is £20,000 deficit, as of 31 August 2020 and the level of restricted general funds is £540,000. Total reserves are £56,311,000. Taking into account the nature of the MAT's income streams, the Trustees are of the view that reserves at this level are sufficient to cover its current working capital needs.

Investment Policy

The Trust has an Investment Policy in place. When the level of free cash reserves held by the MAT exceed that which is necessary to service its ongoing working needs, the Trustees will consider investment of the excess funds over an appropriate period. The Trustees have agreed to invest in short-term guaranteed investments to maximise the MAT return without compromising cash flow.

Principal Risks and Uncertainties

The Trustees maintain a Register of Risk. The items of highest risk include:

- a reputational and financial risk for non-compliance with regard to government bids
- a risk that the pension fund is in significant deficit and the employers' contribution rate can increase with little notice – this is being minimised by taking regular advice on contributions and reconsidering the position with every annual report.
- a risk that while the MAT is small, it lacks the resources to benefit from economies of scale
- the impact of an adverse Ofsted judgement or a failure to improve further overall
- a risk over data breaches under General Data Protection Regulations.
- Insufficient resources available from statutory services e.g. NHS, Social Services and Mental Health
- Covid-19 continues to affect the trust with its impact on reduced revenue from lower take up of after school provisions and lettings, increased pressure on staffing resource and lower pupil attendance due to absences following exposure to infection and increased costs of cleaning and hygiene supplies to restrict the spread of the virus.

Fundraising

The schools in the trust raise funds through requests for voluntary contribution from parents towards the cost of curriculum materials and school trips.

Parent groups also carry out fundraising activities to help some of our schools. These are independent, voluntary groups. Any fundraising complaints would be dealt with under the school's complaints policy.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	4,397,700
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	426.24
Biomass pellet consumption	15.89
Owned transport – mini-buses	1.26
Total scope 1	443.39
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	224.57
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	0.62
Other business travel	0.20
Total scope 3	0.82
Total gross emissions in metric tonnes CO ₂ e	668.78
Intensity ratio	
Tonnes CO ₂ e per pupil	0.20
Quantification and Reporting Methodology:- • We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Intensity measurement The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector. Measures taken to improve energy efficiency: Schools in the trust are gradually replacing aged lighting units with more efficient LED lighting. Two schools have replaced boilers during the year with more efficient models. During the lockdown, schools zoned areas and reduced heating and lighting in unused parts of the school to save energy.	

Plans for Future Periods

The Trust has reviewed the Growth Strategy, as the appetite for elective academy conversions is no longer evident within the local geographical area. Mergers with other academy trusts are recognised as a method of growth.

It recognises that the size of the Trust must increase if the central services such as financial control, school improvement and joint procurement of services and goods is to be economically beneficial. The Trust's objective is to expand to 10 schools in the medium term. A comprehensive

process of due diligence is implemented by the Trust Board to minimise the risks surrounding the acquisition of an academy.

During this period, the Trust began preliminary discussions to explore a merger with South York Multi Academy Trust. In October 2020, both Trusts agreed to formalise those discussions and begin a structured process to work towards a possible merger. Any final decision will be dependent on a public consultation, thorough due diligence, and agreement by both Trusts that the merger would be in the best interests of their learners and communities.

The key objective of the Trust remains the same: providing an excellent education to the young people and parents of our community. Through expansion, we expect to be more able to fund school improvement work. A programme of joint staff development is currently taking place between our four primary schools and two secondary schools. Further cross-phase activities in Leadership and SEND are also in place to facilitate improvement.

Equality, Diversity and Inclusion

The trustees recognise that equality of opportunity is an integral part of good practice within the workplace and have adopted an Equalities Policy, which is publically available.

The South Bank Multi Academy Trust acknowledges the need to address the gender pay gap and training has been undertaken to raise awareness of those employing staff, which will be refreshed on an annual basis. They also recognise the duty placed on it by the Equality Act 2010 and applies the following values, principles and standards to all employees, including people who are disabled regarding consideration of applications for employment, the treatment of employees who become disabled and the training, career development and promotion of disabled persons:

- Equality and social justice
- Acknowledging and valuing diversity
- Respect for others
- Compliance with equality legislation
- *Elimination of all forms of prejudice and unfair discrimination*
- Active challenge to stereotypes, prejudiced attitudes and unfair discriminatory behaviour
- Commitment to the positive development of all staff and trustees
- Accountability for compliance with the trust's policy by all members of the schools, board members and others engaged in activities on behalf of the trust.

Employee consultation

The trust encourages staff contributions at all levels and collaboration between schools. The school heads meet regularly to share knowledge and best practice. There are regular school meetings and briefings to ensure staff are kept aware of developments and consulted. All staff take part in training and development opportunities throughout the school year, including the Trust Staff Development day held in early March 2020.

During the year the Joint Negotiating Consultative Committee, with representation from unions on behalf of our employees, met on two occasions. This is one meeting less than the previous year due to the impact of COVID-19.

Funds Held as Custodian Trustee on Behalf of Others

The Trust holds funds for the York Schools Sports Network which is run from York High School for the benefit of all schools across York.

The balance of funds held at 31 August 2020 is £61,104.

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 Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 January 2021 and signed on the Board's behalf by:



Edwin Thomas
Chair of Trustees

Governance Statement

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Trust Principal, 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 South Bank Multi Academy Trust and the Secretary of State for Education. The Trust Principal is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 11 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Edwin Thomas (chair)	11	11
Reuben Barrett	4	4
Robin Bennett	5	5
Michelle Blake	4	5
Patricia Boyle	11	11
Martin Frost	3	4
Jill Donaldson Hodges (vice-chair to 7 July 2020)	10	11
Richard Milner	11	11
Andrea Preston	11	11
Helen Priestley	1	4
Ian Wiggins (vice chair from 7 July '20)	10	11

During the year four trustees completed their term of office and opted to withdraw from the board. These trustees have been replaced with people who possess appropriate skills and the board now consists of ten trustees.

Governance Review

During the year, the trust board commissioned a review of the board and of Millthorpe LGB. The report identified areas for development and the board has developed an action plan to implement improvements to its operation.

Finance & Audit Committee

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for the matters set out in its terms of reference which include:

- Funding
- Budgeting
- Monitoring of expenditure
- Reviewing Financial Procedures
- Asset Management
- Property Management
- External Audit
- Internal review work
- Financial Management & Policies

During the financial period being reported on, the most significant issues were:

- responding to procedural errors in relation to a CIF bid
- monitoring the financial impact of COVID-19

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Milner (chair)	4	4
Reuben Barrett	1	1
Robin Bennett	2	2
Michelle Blake	2	2
Martin Frost	1	1
Helen Priestley	0	1
Edwin Thomas	4	4

Standards Committee

The trust board has a standards sub-committee to oversee the maintenance and improvement of educational standards at the schools in the trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jill Donaldson Hodges (chair)	4	4
Pat Boyle	3	4
Andrea Preston	2	4
Edwin Thomas	3	4
Ian Wiggins	4	4

The safeguarding and health & safety working group meet to provide assurance on the standards of safeguarding and health and safety across the Trust. A Trustee chairs the meeting, supported by the Trust Principal and the Trust Business Manager. Each school is invited to send a local governing board representative to the meetings.

The Trust Principal chairs regular JNCC meetings with staff union representatives to consult on Trust policy. The meetings are supported by the Chief Financial Officer and the Trust Business Manager.

Review of Value for Money

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

The Accounting Officer has considered 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:

- ensuring competitive tendering processes were used for procurement of capital projects, and IT services;
- employment of a Trust Business Manager on a full time basis to enable the Trust to provide a more effective business support service to the schools;
- embedding curriculum led financial planning and resource management benchmarking into the budget setting process.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they not be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Bank Multi Academy 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks and that it has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit 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 has decided to appoint Forrester Boyd as internal auditor.

The internal auditors role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period include:

- testing the CIF management process
- testing procurement procedures
- testing of payroll systems
- test the VAT reporting procedures

On an annual basis the auditor reports to the board of trustees, through the Finance and Audit Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The auditor delivered their schedule of work as planned and no material control issues arose.

Review of Effectiveness

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

- the Trust's financial management and governance self-assessment processes
- the work of the internal auditor
- the work of the external auditor
- a range of regular checks and monitoring by the Trust Principal
- the Trust Principal's ongoing supervision of and liaison with the CFO
- the Trust Principal's appraisal of the performance of the CFO and the central finance team
- the work of the Chief Finance Officer and the Business Managers within each academy, who have responsibility for the development and maintenance of the internal control framework

Approved by order of the members of the Board of Trustees on 18 January 2021 and signed on its behalf by:



Edwin Thomas
Chair of Trustees


Adam Cooper (Jan 18, 2021 14:41 GMT)

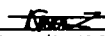
Adam Cooper
Accounting Officer

Statement of Regularity, Propriety and Compliance

As Accounting Officer of South Bank Multi Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of any material irregularity, impropriety or 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 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 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.


Adam Cooper (Jan 18, 2021 14:41 GMT)

Adam Cooper
Accounting Officer

18 January 2021

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 Annual 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 accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 18 January 2021 and signed on its behalf by:



Edwin Thomas, Chair of Trustees

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH BANK MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of South Bank Multi Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Directors' 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.

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH BANK MULTI ACADEMY TRUST (CONTINUED)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (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.
- 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.

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH BANK MULTI ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

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

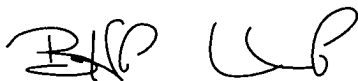
Auditor's responsibilities for the audit of the financial statements

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. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jackson (Senior Statutory Auditor)

for and on behalf of

BHP LLP

Statutory Auditors

Rievaulx House

1 St Mary's Court

Blossom Street

York

YO24 1AH

Date: 21 Jan 2021

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH BANK MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 October 2017 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 South Bank Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South Bank Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Bank Multi Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2016 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH BANK MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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



Michael Jackson
BHP LLP

Statutory Auditors

Date: 21 Jan 2021

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer from local authority		-	-	-	-	3,260
Other donations and capital grants		77	-	2,004	2,081	2,456
Charitable activities	4	275	16,853	-	17,128	15,132
Other trading activities	5	586	-	-	586	738
Investments	6	2	-	-	2	7
Total income		940	16,853	2,004	19,797	21,593
Expenditure on:						
Raising funds	8	435	118	-	553	264
Charitable activities	10	763	17,170	1,530	19,463	17,457
Transfer of liabilities on conversion to academy trust	9	-	-	-	-	325
Total expenditure		1,198	17,288	1,530	20,016	18,046
Net income/ (expenditure)		(258)	(435)	474	(219)	3,547
Transfers between funds	19	(32)	(165)	197	-	-
Net movement in funds before other recognised gains/(losses)		(290)	(600)	671	(219)	3,547
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(432)	-	(432)	(1,576)
Net movement in funds		(290)	(1,032)	671	(651)	1,971

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Note					
Reconciliation of funds:					
Total funds brought forward	270	(3,847)	60,539	56,962	54,991
Net movement in funds	(290)	(1,032)	671	(651)	1,971
Total funds carried forward	(20)	(4,879)	61,210	56,311	56,962

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 39 to 71 form part of these financial statements.

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10067116

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	16	60,976	60,496
Current assets			
Debtors	17	1,486	444
Cash at bank and in hand		1,870	2,417
		<u>3,356</u>	<u>2,861</u>
Creditors: amounts falling due within one year	18	(2,602)	(2,162)
Net current assets		<u>754</u>	<u>699</u>
Net assets excluding pension liability		<u>61,730</u>	<u>61,195</u>
Defined benefit pension scheme liability	27	(5,419)	(4,233)
Total net assets		<u><u>56,311</u></u>	<u><u>56,962</u></u>

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10067116

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	61,210	60,539
Restricted income funds	19	540	386
Restricted funds excluding pension asset	19	61,750	60,925
Pension reserve	19	(5,419)	(4,233)
Total restricted funds	19	56,331	56,692
Unrestricted income funds	19	(20)	270
Total funds		56,311	56,962

The financial statements on pages 34 to 71 were approved by the trustees, and authorised for issue on 18 January 2021 and are signed on their behalf, by:



.....
Edwin Thomas
Chair of Trustees

The notes on pages 39 to 71 form part of these financial statements.

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(554)	(65)
Cash flows from investing activities	22	7	(73)
Change in cash and cash equivalents in the year		(547)	(138)
Cash and cash equivalents at the beginning of the year		2,417	2,555
Cash and cash equivalents at the end of the year	23, 24	<u>1,870</u>	<u>2,417</u>

The notes on pages 39 to 71 form part of these financial statements

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

South Bank Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the academy trust. Monetary amounts in these financial statements are rounded to the nearest £'000.

1.2 Going concern

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

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year 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 is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

SOUTH BANK MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **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 inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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.

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1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land 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:

Depreciation is provided on the following bases:

Long leasehold property	- 10 to 60 years
Plant and machinery	- 4 years
Computer equipment	- 3 years
Furniture and equipment	- 10 years
Assets under construction	- nil

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.

The Trustees have reviewed the useful economic lives of the long leasehold property and have revised the depreciation policy accordingly.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

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1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

The academy trust is a member of a multi-employer plan. Where it is not possible for the academy trust to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.14 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations				
Transfer from local authority	-	-	-	3,260
Subtotal detailed disclosure	-	-	-	3,260
Donations	77	-	77	52
Similar incoming resources	-	2,004	2,004	2,404
Subtotal	77	2,004	2,081	2,456
	77	2,004	2,081	5,716
Total 2019	52	5,664	5,716	

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

4. Funding for the academy trust's educational operation

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant	-	15,192	15,192	13,272
Pupil Premium	-	798	798	686
Other DfE/EFA grants	-	246	246	309
Special Educational Needs	-	251	251	189
Sports Funding	-	77	77	64
Catering income	112	-	112	148
Other	125	7	132	163
Early Years funding	-	282	282	261
Nursery income unfunded/ fee paying	38	-	38	40
	<u>275</u>	<u>16,853</u>	<u>17,128</u>	<u>15,132</u>
Total 2019	<u>342</u>	<u>14,790</u>	<u>15,132</u>	

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Lettings	60	60	93
Supply teacher insurance income	-	-	4
Consultancy	78	78	122
School club fees	272	272	359
Other	176	176	160
	<u>586</u>	<u>586</u>	<u>738</u>
Total 2019	<u>738</u>	<u>738</u>	

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6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Bank interest	2	2	7
<i>Total 2019</i>	<i>7</i>	<i>7</i>	

In 2019, all bank interest income was unrestricted.

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Expenditure on fundraising trading activities:					
Direct costs	427	126	-	553	264
Education:					
Direct costs	12,419	-	1,134	13,553	11,925
Allocated support costs	2,640	2,464	806	5,910	5,532
Transfer of liabilities on conversion to academy trust	-	-	-	-	325
	15,486	2,590	1,940	20,016	18,046
<i>Total 2019</i>	<i>13,503</i>	<i>2,270</i>	<i>2,273</i>	<i>18,046</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
School club expenses	17	-	17	30
School fund expenditure	109	-	109	39
Wages and salaries	277	116	393	171
National insurance	9	2	11	4
Pension costs	23	-	23	20
	<u>435</u>	<u>118</u>	<u>553</u>	<u>264</u>
<i>Total 2019</i>	<u>252</u>	<u>12</u>	<u>264</u>	

9. Other expenditure

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Pension liability inherited on conversion	-	-	-	244
Deficit inherited on conversion	-	-	-	81
	<u>-</u>	<u>-</u>	<u>-</u>	<u>325</u>
<i>Total 2019</i>	<u>81</u>	<u>244</u>	<u>325</u>	

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Education	13,553	5,910	19,463	17,457
<i>Total 2019</i>	11,924	5,533	17,457	

Analysis of direct costs

	Education 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	12,177	12,177	10,772
Educational supplies	619	619	446
Examination Fees	108	108	135
Staff expenses and other staff costs	27	27	25
Trip expenses	88	88	112
Supply teachers	242	242	234
Technology costs	160	160	77
Professional services	132	132	123
	13,553	13,553	11,924
<i>Total 2019</i>	11,924	11,924	

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	2,640	2,640	2,300
Depreciation and loss on disposal	1,519	1,519	1,238
Recruitment and other staff costs	102	102	110
Staff development	49	49	51
Other costs	20	20	71
Maintenance of premises and equipment	185	185	224
Cleaning	266	266	257
Rent and rates	126	126	54
Heat and light	368	368	445
Insurance	79	79	70
Security and transport	15	15	30
Catering	115	115	244
Technology costs	95	95	251
Office overheads	195	195	42
Legal and professional	95	95	101
Governance costs	41	41	45
	<u>5,910</u>	<u>5,910</u>	<u>5,533</u>
<i>Total 2019</i>	<u>5,533</u>	<u>5,533</u>	

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £000	2019 £000
Depreciation and loss on disposal of tangible fixed assets	1,519	1,238
Fees paid to auditor for:		
- audit	<u>26</u>	<u>23</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	11,158	10,024
Social security costs	1,017	909
Pension costs	3,069	2,334
	<u>15,244</u>	<u>13,267</u>
Agency staff costs	242	236
	<u>15,486</u>	<u>13,503</u>

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

Included in staff costs is one non-statutory/non-contractual severance payment totalling £8,000 (2019: £nil).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	183	180
Administration & support	320	300
Management	10	24
	<u>513</u>	<u>504</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	172	148
Administration and support	188	163
Management	10	23
	<u>370</u>	<u>334</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	7	3
In the band £70,001 - £80,000	2	3
In the band £90,001 - £100,000	2	-
In the band £100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £993,000 (2019 £750,000).

13. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £nil were paid for catering costs (2019: £1K).

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Central services

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

- human resources advice
- financial services
- legal services
- procurement services
- school improvement services

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

As a percentage of annual GAG income of 2.6% for 2019/20.

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Carr Junior School	31	8
Knavesmire Primary School	40	29
Millthorpe School	137	100
Scarcroft Primary School	37	26
Woodthorpe Primary School	38	28
York High School	107	82
Total	390	273

15. Trustees' and officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
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16. Tangible fixed assets

	Land and Buildings £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2019	62,204	437	646	126	8	63,421
Additions	1,240	561	148	46	4	1,999
Disposals	(169)	-	-	-	-	(169)
At 31 August 2020	63,275	998	794	172	12	65,251
Depreciation						
At 1 September 2019	2,789	-	76	53	7	2,925
Charge for the year	1,264	-	74	43	2	1,383
On disposals	(33)	-	-	-	-	(33)
At 31 August 2020	4,020	-	150	96	9	4,275
Net book value						
At 31 August 2020	59,255	998	644	76	3	60,976
At 31 August 2019	59,415	437	570	73	1	60,496

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Tangible fixed assets (continued)

The buildings' disposal represents units demolished and replaced as part of the CIF-funded redevelopment at Millthorpe School.

17. Debtors

	2020	2019
	£000	£000
Due within one year		
Trade debtors	46	66
Other debtors	185	93
Prepayments and accrued income	1,255	285
	<u>1,486</u>	<u>444</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	641	390
Other taxation and social security	519	448
Other creditors	341	283
Accruals and deferred income	1,101	1,041
	<u>2,602</u>	<u>2,162</u>
	2020 £000	2019 £000
Deferred income at 1 September 2019	565	1,246
Resources deferred during the year	481	565
Amounts released from previous periods	(565)	(1,246)
	<u>481</u>	<u>565</u>

At 31 August 2020 the Academy Trust was holding funds received in advance for rates relief, grants for the nursery, the CIF project, DFC remittances, ESFA remittance and Infant Free School Meals.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	270	940	(1,198)	(32)	-	(20)
Restricted general funds						
General Annual Grant	85	15,013	(14,516)	(165)	-	417
Pupil premium	-	798	(798)	-	-	-
Early Years Funding	-	282	(282)	-	-	-
Special needs funding	-	251	(251)	-	-	-
Start up grant	101	-	(41)	-	-	60
Sports Funding	-	77	(77)	-	-	-
Other ESFA grants	115	271	(323)	-	-	63
Other government grants	85	161	(246)	-	-	-
Pension reserve	(4,233)	-	(754)	-	(432)	(5,419)
	<u>(3,847)</u>	<u>16,853</u>	<u>(17,288)</u>	<u>(165)</u>	<u>(432)</u>	<u>(4,879)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Restricted fixed asset funds						
Fixed assets transferred on conversion	55,443	-	(1,400)	-	-	54,043
Fixed assets purchased from GAG and other funds	125	67	(122)	197	-	267
ESFA Capital grants	2,619	1,937	(8)	-	-	4,548
Other DfE Grants	2,352	-	-	-	-	2,352
	<u>60,539</u>	<u>2,004</u>	<u>(1,530)</u>	<u>197</u>	<u>-</u>	<u>61,210</u>
Total Restricted funds	<u>56,692</u>	<u>18,857</u>	<u>(18,818)</u>	<u>32</u>	<u>(432)</u>	<u>56,331</u>
Total funds	<u>56,962</u>	<u>19,797</u>	<u>(20,016)</u>	<u>-</u>	<u>(432)</u>	<u>56,311</u>

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

General Annual Grant (GAG)

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

Pupil premium

This relates to funding received from the ESFA based on the count of Ever6 pupils at the school and is restricted to benefit those pupils.

Early Years Funding

This is funding received via the local authority to fund pre-school nursery provision at Knavesmire and Woodthorpe Primary Schools.

Special Needs funding

This is funding received from the local authority and is restricted to supporting the additional needs of SEN pupils.

Start Up Grant

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19. Statement of funds (continued)

Relates to funding received from the government on York High School joining the trust.

Sports Funding

Funding received from the ESFA to support sports activities at the Primary and Junior Schools.

Other ESFA grants

This relates to other grant funding received from the ESFA for restricted purposes. The amount carried forward relates to the school improvement funding for York High School.

Other Government Grants

This relates to other grant funding received from the government or council for restricted purposes. The amount carried forward relate to the school improvement funding and funding from YSAB.

Pension Reserve

The pension deficit has increased during the year due to the worldwide impact of COVID-19 on corporate bond rates. The academy trust will continue to make the required monthly payments at the contributions rate advised by North Yorkshire Pension Fund.

DfE/ESFA Capital Grants

Devolved formula capital grants are to be used specifically to maintain and improve buildings.

Restricted Fixed Assets

Restricted fixed asset funds represent money received for the purpose of acquiring fixed assets and the value of assets acquired using that money.

Transfers

Transfers represent the allocation of funds for capital projects undertaken at the schools.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£000	£000
Central MAT	(50)	(47)
Carr Junior School	(96)	(81)
Knavesmire Primary School	285	266
Millthorpe School	17	35
Scarcroft Primary School	45	90
Woodthorpe Primary School	26	84
York High School	293	309
Total before fixed asset funds and pension reserve	520	656
Restricted fixed asset fund	61,210	60,539
Pension reserve	(5,419)	(4,233)
Total	56,311	56,962

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

	Deficit
	£000
Carr Junior School	96

A deficit of £81,000 was inherited on conversion of Carr Junior School.

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

The trustees are working with the school and the Local Governing Body to reduce the deficit brought forward on conversion but are conscious of the financial pressures created by the pandemic and the need to support the school and its students during this period.

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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Central MAT	87	196	-	112	395	375
Carr Junior School	1,023	212	54	214	1,503	585
Knavesmire Primary School	1,477	316	75	241	2,109	2,084
Millthorpe School	3,848	835	216	554	5,453	5,257
Scarcroft Primary School	1,217	341	77	210	1,845	1,783
Woodthorpe Primary School	1,308	198	58	356	1,920	1,865
York High School	2,870	977	95	574	4,516	4,615
Academy trust	11,830	3,075	575	2,261	17,741	16,564

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General funds	178	1,139	(1,030)	(17)	-	270
Restricted general funds						
General Annual Grant	265	13,105	(13,191)	(94)	-	85
Pupil premium	-	686	(686)	-	-	-
Early Years Funding	-	261	(261)	-	-	-
Special needs funding	-	189	(189)	-	-	-
Start up grant	101	-	-	-	-	101
Sports Funding	-	64	(64)	-	-	-
Other ESFA grants	115	304	(304)	-	-	115
Other government grants	30	181	(126)	-	-	85
Pension reserve	(1,709)	-	(948)	-	(1,576)	(4,233)
	<u>(1,198)</u>	<u>14,790</u>	<u>(15,769)</u>	<u>(94)</u>	<u>(1,576)</u>	<u>(3,847)</u>

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19. Statement of funds (continued)

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Restricted fixed asset funds						
Fixed assets transferred on conversion	53,339	3,260	(1,156)	-	-	55,443
Fixed assets purchased from GAG and other funds	101	-	(87)	111	-	125
ESFA Capital grants	2,571	52	(4)	-	-	2,619
Other DfE Grants	-	2,352	-	-	-	2,352
	<u>56,011</u>	<u>5,664</u>	<u>(1,247)</u>	<u>111</u>	<u>-</u>	<u>60,539</u>
Total Restricted funds	<u>54,813</u>	<u>20,454</u>	<u>(17,016)</u>	<u>17</u>	<u>(1,576)</u>	<u>56,692</u>
Total funds	<u><u>54,991</u></u>	<u><u>21,593</u></u>	<u><u>(18,046)</u></u>	<u><u>-</u></u>	<u><u>(1,576)</u></u>	<u><u>56,962</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	60,976	60,976
Current assets	-	3,122	234	3,356
Creditors due within one year	(20)	(2,582)	-	(2,602)
Provisions for liabilities and charges	-	(5,419)	-	(5,419)
Total	<u><u>(20)</u></u>	<u><u>(4,879)</u></u>	<u><u>61,210</u></u>	<u><u>56,311</u></u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	60,496	60,496
Current assets	270	2,548	43	2,861
Creditors due within one year	-	(2,162)	-	(2,162)
Provisions for liabilities and charges	-	(4,233)	-	(4,233)
Total	270	(3,847)	60,539	56,962

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

	2020 £000	2019 £000
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(219)	3,547
Adjustments for:		
Depreciation and loss on disposal	1,519	1,238
Capital grants from DfE and other capital income	(2,004)	(2,422)
Defined benefit pension scheme obligation inherited	-	244
Defined benefit pension scheme cost less contributions payable	547	664
Defined benefit pension scheme finance cost	207	41
(Increase)/decrease in debtors	(1,042)	350
Increase/(decrease) in creditors	440	(460)
Dividends, interest and rents from investments	(2)	(7)
Net surplus on assets and liabilities from local authority on conversion	-	(3,260)
Net cash used in operating activities	(554)	(65)

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22. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	2	7
Purchase of tangible fixed assets	(1,999)	(2,502)
Capital grants from DfE Group	2,004	2,422
Net cash provided by/(used in) investing activities	7	(73)

23. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash at bank	1,870	2,417
Total cash and cash equivalents	1,870	2,417

24. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	2,417	(547)	1,870
	2,417	(547)	1,870

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25. Contingent liabilities

In a prior year, we identified that CIF funding spent on essential repairs to a school building, relating to an earlier CIF project, was potentially outside the scope of the funding. The ESFA was informed of this and they carried out a review on the use of CIF funding at the school.

The outcome of the review confirmed that the ESFA Capital Support Director was satisfied that the change in scope of works was necessary and they are not proposing to recover any funding relating to this change.

However, monitoring and completion returns for the project did not adequately identify this change in project scope to the ESFA. Due to the pandemic, ministers have not signed off on the review and agreed any proposed actions. When the issue arose, the trust board commissioned a governance review and an internal audit of processes to inform of any improvements to procedures, from which they developed an action plan to implement the changes across the organisation.

26. Capital commitments

At 31 August 2020 the academy had capital commitments as follows:

	2020	2019
	£000	£000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	748	1,028

27. 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 North Yorkshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £270,000 were payable to the schemes at 31 August 2020 (2019 - £216,000) 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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

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27. Pension commitments (continued)

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
- 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, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,617,000 (2019 - £1,075,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £966,000 (2019 - £807,000), of which employer's contributions totalled £788,000 (2019 - £600,000) and employees' contributions totalled £ 228,000 (2019 - £207,000). The agreed contribution rates for future years are 23.68 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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27. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.45	3.35
Rate of increase for pensions in payment/inflation	2.20	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.10

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.9
Females	23.5	25.1
<i>Retiring in 20 years</i>		
Males	23.5	23.6
Females	25.7	26.9

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	14,284	10,520
Discount rate -0.1%	15,106	11,020
Mortality assumption - 1 year increase	14,166	10,408
Mortality assumption - 1 year decrease	15,224	11,131

Share of scheme assets

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27. Pension commitments (continued)

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

	2020 £000	2019 £000
Equities	5,110	3,984
Gilts	1,660	1,335
Property	594	523
Cash and other liquid assets	334	316
Other	1,577	722
Total market value of assets	9,275	6,880

The actual return on scheme assets was £000384,000 (2019 - £406,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £000	2019 £000
Current service cost	1,297	917
Past service cost	129	-
Interest cost	66	41
Total amount recognised in the Statement of Financial Activities	1,492	958

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

	2020 £000	2019 £000
At 1 September	11,114	6,827
Transferred in on existing academies joining the trust	-	916
Current service cost	1,297	917
Interest cost	207	201
Employee contributions	228	207
Actuarial losses	1,628	1,800
Benefits paid	92	(101)
Past service costs	129	347
At 31 August	14,695	11,114

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27. Pension commitments (continued)

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

	2020 £000	2019 £000
At 1 September	6,880	5,118
Transferred in on existing academies joining the trust	-	672
Interest income	141	160
Actuarial gains	1,196	224
Employer contributions	738	600
Employee contributions	228	207
Benefits paid	92	(101)
At 31 August	9,275	6,880

28. Operating lease commitments

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

	2020 £000	2019 £000
Not later than 1 year	45	42
Later than 1 year and not later than 5 years	84	88
	129	130

29. Members' liability

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

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30. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

31. Agency arrangements

During the year the MAT received income of £210,000 (2019: £186,000), including grant funding totalling £24,000 (2019: £24,000) where the MAT acted as agent. As a result, none of this income is included in turnover. The payments made by the MAT in relation to this during the year were £199,000 (2019: £196,000). As at the year end a balance of £61,000 (2019: £50,000) is being held within Other Creditors on the Balance Sheet and represents funds held as Agent.