

Company Registration Number: 08859774 (England and Wales)

**Educate Together Academy Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2019**

# Educate Together Academy Trust

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# Educate Together Academy Trust

## Reference and Administrative Details

<b>Members</b>	Educate Together/Ag Foghlaim Le Cheile D Bruce (from 2 April 2019) G Hocking (from 16 September 2019) D MacAonghusa C White
<b>Trustees/Directors</b>	A Goodall, Chair (appointed as Chair 17 September 2019) Y Barker-Layton (appointed 29 April 2019) K Brown (appointed 1 September 2018) D Bruce (resigned as chair 14 January 2019, resigned 2 April 2019) H Carr (appointed 29 April 2019) M Doyle (appointed 11 February 2019) J Dyer (appointed 21 December 2018, resigned 13 August 2019) R Farrell (resigned 2 April 2019) C Garnett (appointed 15 July 2019, resigned 20 September 2019) J Grinstead (resigned 12 February 2019) B Karimu (appointed 12 February 2019, resigned 8 July 2019) M Lee (resigned 2 April 2019) J Skinner (appointed 1 September 2018, appointed as Chair 12 February 2019, resigned 17 September 2019) C Stewart Hall (resigned 12 February 2019)
<b>Company Secretary</b>	J Bradshaw
<b>Senior Management Team</b>	
CEO/Accounting Officer (Redfield)	R Farrell
Headteacher (Somerdale)	J Barr
Headteacher (Mulberry Park)	E Garnett
Headteacher (Parklands)	S Davies
CFO	J Bradshaw
<b>Company Name</b>	Educate Together Academy Trust
<b>Principal and Registered Office</b>	Redfield Educate Together Avonvale Road Redfield Bristol, BS5 9RH
<b>Company Registration Number</b>	08859774
<b>Independent Auditor</b>	MHA Monahans Fortescue House Court Street Trowbridge BA14 8FA
<b>Bankers</b>	Lloyds Bank PLC 16 The Triangle Clevedon BS21 8NG
<b>Solicitors</b>	Blake Morgan LLP 10 Victoria Street Bristol BS1 6BN

# **Educate Together Academy Trust**

## **Trustees' Report for the year ended 31 August 2019**

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

In the year, the Academy Trust operated four primary academies in the South West of England. These academies had a combined roll of 351 in the school census of October 2018. The Academy Trust successfully completed its fifth year of operation and has an eventual capacity of 1,260 children.

### **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 Educate Together Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Educate Together Academy Trust.

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the trustees by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as Directors of the Academy Trust. The RPA provides unlimited indemnity for trustees' liability.

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

The total number of trustees who are employees of the Trust shall not exceed one third of the total number of trustees. The number of trustees will not be less than three but is not subject to a maximum. The Trust has used the programme Academy Ambassadors for recruitment and is now focused on specific areas of expertise for the current wave of recruitment.

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

Trustees receive an information pack and attend a detailed briefing session before taking up office. Trustees also attend at least one academy site visit and attend an induction process to acquaint themselves with the work of the Trust.

#### **Organisational Structure**

The trustees met six times during the year 2018/19. A new Chair and Vice Chair have been appointed during the year. There are two sub-committees: Audit, Finance and Risk (AFR) Committee and HR Committee.

# Educate Together Academy Trust

## Trustees' Report (continued) for the year ended 31 August 2019

### Arrangements for setting pay and remuneration of key management personnel

Following a performance review of the achievements and targets of the CEO and all staff the HR and AFR committees meet to review pay and remuneration of all staff and these decisions are ratified by the Board.

### Related Parties and other Connected Charities and Organisations

The Trust has a close relationship with Educate Together/Ag Foghlaim Le Chéile, a registered educational charity and patron of schools in Ireland, that is also a member of the Charitable Company.

## Objectives and Activities

### Objects and Aims

The principal object and activity of the Trust is to advance public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing Academies and other educational facilities, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on the Learn Together ethical education curriculum.

### Objectives, Strategies and Activities

The objective of the Trust is to build a self sufficient cluster of primary and secondary Educate Together Academies in the South West of England. It's strategy to achieve this involves the application for new free Academies in appropriate areas, the development of converter school opportunities and working to collaborate with like minded educationalists in the region.

### Public Benefit

The trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

## Strategic Report

### Objectives and priorities

#### Trust objectives

- Continue to maintain high standards in all Academies (Achieved)
- Continue to embed the Learn Together curriculum (Achieved)
- Establish full financial reporting (Achieved)
- Bid for two Academies (Achieved but bids unsuccessful)
- Recruit new trustees to meet skills gaps (Partially achieved)

#### Specific Priorities for the year ahead

- Continue with the pre-opening of Abbey Farm Academy
- Maintain high standards in all the four Academies
- Bid successfully for one Academy
- Recruit and train all trustees to meet skills gaps
- Oversee the build and opening of the new building for Parklands Educate Together

# Educate Together Academy Trust

## Trustees' Report (continued) for the year ended 31 August 2019

### Achievements and Performance

The Academies achieved 67% EYFS Good level of Development. Three Academies had year 1 children and achieved 77% in Year 1 and 80% in Year 2 Phonics testing. Two Academies performed well in KS1 SATS with 71% reading, 67% writing and 73% maths, this from a cohort that arrived in the school in Reception with very low age related expectations. Three Academies were moderated by the respective LAs for EYFS and Somerdale also for KS1 SATS. Comparative data shows that Redfield results were in the top 35% of their statistical neighbours in Bristol at KS1 and above the average of Bristol Schools for expected reading, writing and maths combined at KS1.

The two new schools, Mulberry Park and Parklands, opened successfully and have achieved well. The Educate Together principles and the Learn Together curriculum are continuing to be embedded confidently in all Academies. The Learn Together curriculum has proved to be very effective in raising standards of oracy which is having a strong impact on speaking and listening. All schools have reviewed curriculum provision and subject and middle management leadership has been strengthened.

Somerdale and Redfield continued to be very popular and were again full. 2019-20 is oversubscribed in three schools. Parklands is growing rapidly as the house building around continues.

Collaboration has been a strong feature of this year with all schools engaging with many external cross Academies' clusters and with many groups internally. Headteachers from all schools meet regularly for strategic development and school improvement support. Staff from all ETAT Academies have also shared training and support. Numbers applying for new vacancies remains high and staff retention remains very high with staff absence continuing to be lower than national averages both in the educational and wider workplaces.

Parental engagement continues to be supportive; with events, information sessions and activities having large attendance rates across the schools.

### Key Performance Indicators

The main financial indicator is the level of reserves held at the Balance Sheet date. In addition, the Trust will use key indicators of Academy reserves as a percentage of income and reserves per pupil. Staffing is to be presented as a percentage of total expenditure for all staff, teaching staff and classroom staff. The Trust will also undertake a benchmarking exercise for average teacher cost, pupil teacher ratio. Income will also be analysed as income per pupil for grant income, income per pupil for self-generated income and expenditure per pupil for teaching costs and total expenditure per pupil.

### 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.

# **Educate Together Academy Trust**

## **Trustees' Report (continued) for the year ended 31 August 2019**

### **Financial Review**

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2019, total expenditure (excluding the restricted fixed asset fund and before transfers) of £2,490,110 was covered by recurrent grant funding from the DfE, together with income (excluding the restricted fixed asset fund) of £2,715,368. The excess of income over expenditure for the year was £225,258.

At 31 August 2019 the net book value of tangible fixed assets was £14,633,915 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academies and for the development work of the Trust.

### **Reserves Policy**

The trustees review the reserves levels of the Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the Trust, the uncertainty of future income streams and other key risks identified during the risk review.

The trustees are building the reserves to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance of Academy premises.

The Trust is currently working towards a three month expenditure reserve, which equates currently to around £900k. This is based on the assessment that the Trust is growing and adding new start up Academies each year. At the year end, the Trust had reserves of £795,207.

### **Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect.

### **Principal Risks and Uncertainties**

The Trust has undertaken a review of Trust wide risks through a review of its Risk Register additional registers have been implemented at Academy level and are reviewed and updated regularly.

### **Fundraising**

The Trust's approach to fund raising is centred on its founding principles and therefore is community and family focused. It is also limited by the balance and staffing resources and expenditure. There has been a substantial increase in the lettings income for the Trust. Fundraising is through PTA groups in all schools and additional income comes from family suppers and breakfasts, Breakfast and After school clubs and Pre-Schools.

### **Plans for Future Periods**

The permanent Academy building for Parklands (Weston-super-Mare) will be completed in Spring 2020. The Trust plans to develop links with other schools to facilitate converter schools. It is also reviewing new free school bid opportunities.

## Educate Together Academy Trust

### Trustees' Report (continued) for the year ended 31 August 2019

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

The Trust and its trustees do not act as the Custodian Trustee for any other Charity.

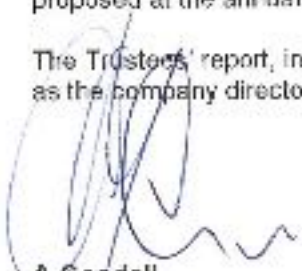
#### Auditors

In so far as the trustees are aware:

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

The auditors, MHA Monahans, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28 November 2019 and signed on the board's behalf by:



**A Goodall**  
Chair of Trustees  
28 November 2019



# Educate Together Academy Trust

## Governance Statement for the year ended 31 August 2019

### Scope of Responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Goodall, Chair	6	6
Y Barker-Layton (appointed 29 April 2019)	2	2
K Brown	5	6
D Bruce, Chair (resigned 2 April 2019)	3	4
H Carr (appointed 29 April 2019)	2	2
M Doyle (appointed 11 February 2019)	3	4
J Dyer (appointed 21 December 2018, resigned 13 August 2019)	2	3
R Farrell (resigned 2 April 2019)	6	6
J Grinstead (resigned 18 February 2019)	3	3
B Karimu (appointed 12 February 2019, resigned 8 July 2019)	2	3
M Lee (resigned 2 April 2019)	4	4
J Skinner, Chair (appointed 1 September 2018, resigned 17 September 2019)	5	5
C Stewart Hall (resigned 12 February 2019)	2	3

The Audit, Finance and Risk (AFR) Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for the sound financial management of the Academy and will take the lead on general matters relating to buildings and premises, with the long term welfare of the staff and pupils uppermost in its priorities. The Committee acts as an Audit Committee in ensuring compliance with external regulation and statutory duties. It will ensure solvency and probity and ensure that financial resources, made available to the Academy, are managed effectively.

### Review of Value for Money

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

## **Educate Together Academy Trust**

### **Governance Statement (continued) for the year ended 31 August 2019**

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

- Ensuring that there is in place a robust system of competitive procurement for all Trust and Academies' purchases;
- Ensuring that all major purchases are subject to full review through the purchase order approval system;
- Ensuring that all equipment procurement is appropriately phased and schedule to avoid equipping under utilised spaces with equipment that could potentially become obsolete before the space is used; and
- Taking responsibility for FFE and ICT purchases for new Academies' buildings.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Educate Together Academy Trust for the year to 31 August 2019 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 that has been in place for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the AFR 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The internal auditor's role includes giving advice on financial matters and

## Educate Together Academy Trust

### Governance Statement (continued) for the year ended 31 August 2019

performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of recruitment procedures systems
- Testing of ringfenced funding systems and reporting
- Procurement process

The internal auditor has been instrumental in implementing and overseeing the option of stricter financial control and internal financial procedures culminating in the adoption of the Financial Management Manual, which incorporated new and reviewed finance policies. A new financial reporting system for both budgets and management accounts is now in place which provides greater clarity into the financial health of the Trust and these reports are produced monthly for trustees' scrutiny.

On a quarterly basis, the internal auditor reports to the board of trustees, through the Audit, Finance and Risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


#### Review of Effectiveness

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

- the work of the CFO;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 28 November 2019 and signed on its behalf by:



**A Goodall**  
Chair of Trustees



**R Farrell**  
Accounting Officer

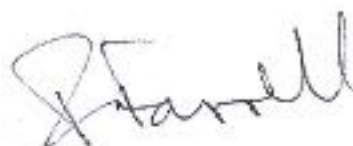
## Educate Together Academy Trust

### Statement of Regularity, Propriety and Compliance for the year ended 31 August 2019

As Accounting Officer of Educate Together Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



R Farrell  
Accounting Officer  
28 November 2019

## Educate Together Academy Trust

### Statement of Trustees' Responsibilities for the year ended 31 August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 28 November 2019 and signed on its behalf by:



**A Goodall**  
Chair of Trustees

## **Educate Together Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Educate Together Academy Trust for the year ended 31 August 2019**

#### **Opinion**

We have audited the financial statements of Educate Together Academy Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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' and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Other information includes Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities 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.

# Educate Together Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of Educate Together Academy Trust for the year ended 31 August 2019 (continued)

### 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of trustees

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

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

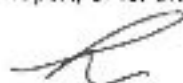
### Our responsibilities for the audit of the financial statements

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

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

### Use of our report

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



James Gare (Senior Statutory Auditor)  
for and on behalf of MHA Monahans  
Statutory Auditor, Chartered Accountants  
Fortescue House, Court Street  
Trowbridge, BA14 8FA

Date: ..... 17/12/2019.

## **Educate Together Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Educate Together Academy Trust and the Education & Skills Funding Agency for the year ended 31 August 2019**

In accordance with the terms of our engagement letter dated 18 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Educate Together Academy Trust during the year to 31 August 2019 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 Educate Together Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Educate Together 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 Educate Together Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Educate Together Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Educate Together Academy Trust's funding agreement with the Secretary of State for Education dated 24 January 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2019 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 2018 to 2019 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.



## Educate Together Academy Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Educate Together Academy Trust and the Education & Skills Funding Agency for the year ended 31 August 2019 (continued)

The work undertaken to draw to our conclusion includes:

- Enquiry of senior management and the Academy Trustees;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest;
- Consideration of governance issues;
- Observation and re-performance of the financial controls; and
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.

#### Conclusion

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



James Gare (Reporting Accountant)  
MHA Monahans  
Chartered Accountants  
Fortescue House  
Court Street  
Trowbridge  
Wiltshire  
BA14 8FA

Date: 17/2/2019

# Educate Together Academy Trust

## Statement of Financial Activities (Including Income and Expenditure Account) for the year ended 31 August 2019

	Note	Unrestricted Funds 2019 £	Restricted General Funds 2019 £	Restricted Fixed Asset Funds 2019 £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	79	33,130	-	33,209	7,608,408
Charitable activities	3	95,338	2,566,377	-	2,661,715	2,073,185
Other trading activities	4	19,993	-	-	19,993	6,536
Investments	5	451	-	-	451	276
<b>Total</b>		<b>115,861</b>	<b>2,599,507</b>	<b>-</b>	<b>2,715,368</b>	<b>9,686,416</b>
<b>Expenditure on:</b>						
Charitable activities		19,404	2,470,706	354,182	2,844,292	2,027,811
<b>Total</b>	6	<b>19,404</b>	<b>2,470,706</b>	<b>354,182</b>	<b>2,844,292</b>	<b>2,027,811</b>
<b>Net income / (expenditure) before transfers</b>		<b>96,457</b>	<b>128,801</b>	<b>(354,182)</b>	<b>(128,924)</b>	<b>7,658,805</b>
Transfers between funds	16	116,064	(246,797)	130,733	-	-
<b>Net (expenditure)/ income before other recognised gains / (losses)</b>		<b>212,521</b>	<b>(117,996)</b>	<b>(223,449)</b>	<b>(128,924)</b>	<b>7,658,805</b>
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	22	-	(196,000)	-	(196,000)	51,000
<b>Net movement in funds</b>		<b>212,521</b>	<b>(313,996)</b>	<b>(223,449)</b>	<b>(324,924)</b>	<b>7,708,805</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		(108,914)	520,596	14,857,364	15,269,046	7,559,241
<b>Total funds carried forward</b>		<b>103,607</b>	<b>206,600</b>	<b>14,633,915</b>	<b>14,944,122</b>	<b>15,289,046</b>

The notes on pages 19 to 38 form part of these financial statements.


# Educate Together Academy Trust

## Balance Sheet as at 31 August 2019

Company Number 08859774

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	13		14,633,915		14,857,364
<b>Current assets</b>					
Debtors	14	125,957		60,057	
Cash at bank and in hand	20	<u>847,917</u>		<u>830,043</u>	
		973,874		910,100	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(178,667)</u>		<u>(324,418)</u>	
<b>Net current assets</b>			<u>795,207</u>		<u>585,682</u>
<b>Total assets less current liabilities</b>			<u>15,429,122</u>		<u>15,443,046</u>
Defined benefit pension scheme liability	22		(485,000)		(174,000)
<b>Total net assets</b>			<u>14,944,122</u>		<u>15,269,046</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	18	14,633,915		14,857,364	
Restricted income fund	15	691,600		694,596	
Pension reserve	15	<u>(485,000)</u>		<u>(174,000)</u>	
<b>Total restricted funds</b>			<u>14,840,515</u>		<u>15,377,960</u>
<b>Unrestricted income funds</b>	16		103,607		(108,914)
<b>Total funds</b>			<u>14,944,122</u>		<u>15,269,046</u>

The financial statements were approved by the trustees and authorised for issue on 28 November 2019 and are signed on their behalf by:

  
A. Goodall  
Chair of Trustees

The notes on pages 19 to 38 form part of these financial statements.

# Educate Together Academy Trust

## Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	19	<u>148,156</u>	<u>601,108</u>
<b>Cash flows from investing activities:</b>			
Interest received		451	276
Purchase of tangible fixed assets		<u>(130,733)</u>	<u>(135,571)</u>
		<u>(130,282)</u>	<u>(135,295)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>17,874</b>	<b>465,813</b>
Cash and cash equivalents brought forward		<u>830,043</u>	<u>364,230</u>
Cash and cash equivalents carried forward	20	<u>847,917</u>	<u>830,043</u>

The notes on pages 19 to 38 form part of these financial statements.

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 1 Accounting policies

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

#### 1.1 Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 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 the income is received, the income is accrued.

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

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

- **Donations**

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

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 1 Accounting policies (continued)

- **Donated fixed assets**  
Donated fixed assets are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor will be used. The individual academy buildings donated by Local Authorities are included at cost to the donor. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.
- **Other income**  
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

#### 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.

- **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 Fund Accounting

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

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

#### 1.6 Tangible Fixed Assets and Depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 1 Accounting policies (continued)

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:

Leasehold buildings	-	See below
Leasehold improvements	-	10%
Fixtures and equipment	-	10%
Computer equipment	-	25%

Where an asset (leasehold buildings) comprises two or more components which have substantially different lives each component is depreciated separately over its useful economic life, as follows:

Main building fabric	-	1%
Roof	-	1.5%
Windows & Doors	-	3.3%
Boiler	-	6.6%
Bathrooms	-	5%
Kitchens	-	3.3%
Electrics	-	2.5%

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

### 1.7 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.

### 1.8 Provisions

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

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

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 1 Accounting policies (continued)

#### 1.9 Leased Assets

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

#### 1.10 Financial Instruments

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

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

*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 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.11 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.

#### 1.12 Pensions Benefits

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



# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 1 Accounting policies (continued)

difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

#### 1.15 Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions:*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Donated fixed assets are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor will be used. The individual academy buildings donated by Local Authorities are included at an estimate of cost to the donor.

There was a change in depreciation policy and from 1 September 2018 where an asset comprises of two or more components, for example roof, boiler and kitchens each component is depreciated separately over its useful economic life.

##### *Critical areas of judgement*

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

### 2 Donations and capital grants

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total funds 2019 £	Total funds 2018 £
Capital grants	-	22,659	22,659	5,901
Donated fixed assets	-	-	-	7,600,000
Other donations	79	10,471	10,550	508
	<u>79</u>	<u>33,130</u>	<u>33,209</u>	<u>7,606,409</u>

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

Total 2018	<u>508</u>	<u>7,605,901</u>	<u>7,606,409</u>
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### 3 Funding for the Academy Trust's educational operations

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	1,869,233	1,869,233	1,177,127
Start up grants	-	-	-	50,000
Other DfE Group grants	-	255,339	255,339	193,348
	<u>-</u>	<u>2,124,572</u>	<u>2,124,572</u>	<u>1,420,473</u>
<b>Other government grants</b>				
Local Authority grants	-	439,527	439,527	613,042
	<u>-</u>	<u>439,527</u>	<u>439,527</u>	<u>613,042</u>
<b>Other income</b>				
Other income from the Academy Trust's educational operations	95,338	2,278	97,616	39,680
	<u>95,338</u>	<u>2,278</u>	<u>97,616</u>	<u>39,680</u>
	<u>95,338</u>	<u>2,566,377</u>	<u>2,661,715</u>	<u>2,073,195</u>
<b>Total 2018</b>	<u>39,680</u>	<u>2,033,515</u>	<u>2,073,195</u>	

### 4 Other trading activities

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total funds 2019 £	Total funds 2018 £
External catering income	2,845	-	2,845	1,519
Lettings	15,622	-	15,622	-
Fees received	1,526	-	1,526	5,017
	<u>19,993</u>	<u>-</u>	<u>19,993</u>	<u>6,536</u>
<b>Total 2017</b>	<u>6,536</u>	<u>-</u>	<u>6,536</u>	

### 5 Investment income

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	451	-	451	276
<b>Total 2018</b>	<u>276</u>	<u>-</u>	<u>276</u>	

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 6 Expenditure

	Non Pay Expenditure			Total 2019 £	Total 2018 £
	Staff Costs 2019 £	Premises 2019 £	Other 2019 £		
Direct costs	1,060,968	338,310	160,340	1,559,618	1,308,573
Support costs	775,830	259,178	249,666	1,284,674	719,038
	<u>1,836,798</u>	<u>597,488</u>	<u>410,006</u>	<u>2,844,292</u>	<u>2,027,611</u>
Total 2018	<u>1,185,290</u>	<u>413,889</u>	<u>428,432</u>	<u>2,027,611</u>	

Net income/(expenditure) for the period includes:

	Total 2019 £	Total 2018 £
Operating lease rentals	4,210	2,132
Depreciation	354,182	262,889
Auditors' remuneration - audit	8,000	8,000
Auditors' remuneration - other services	<u>5,320</u>	<u>5,920</u>

### 7 Charitable activities

	Total 2019 £	Total 2018 £
Direct costs – educational operations	1,559,618	1,308,573
Support costs – educational operations	<u>1,284,674</u>	<u>719,038</u>
	<u>2,844,292</u>	<u>2,027,611</u>

### 8 Analysis of support costs

	Total 2019 £	Total 2018 £
Support staff costs	775,830	285,780
Depreciation	15,872	11,601
Technology costs	32,657	9,762
Premises costs	243,306	151,000
Other support costs	196,074	232,160
Governance costs	20,935	26,735
Total support costs	<u>1,284,674</u>	<u>719,038</u>

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 9 Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2019 £	Total 2018 £
Wages and salaries	1,386,090	898,334
Social security costs	126,297	63,785
Pension costs	324,411	203,171
	<u>1,836,798</u>	<u>1,185,290</u>
Agency staff costs	34,659	7,709
Staff restructuring costs	-	-
	<u>1,871,457</u>	<u>1,192,999</u>

#### b. Staff numbers

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

	2019 No.	2018 No.
Teachers	18	11
Educational support	18	19
Administration	18	4
Management	5	4
	<u>59</u>	<u>38</u>

The average number of persons (full time equivalent) employed by the Academy Trust during the year was as follows:

	2019 No.	2018 No.
Teachers	18	10
Educational support	16	12
Administration	10	3
Management	5	4
	<u>49</u>	<u>29</u>

#### c. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	
£90,001 - £100,000		1
£100,001 - £110,000	1	

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 9 Staff (continued)

#### d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as 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 £422,148 (2018: £304,136).

### 10 Central services

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

- Strategic governance
- Teaching and learning support
- Educational and performance oversight and support
- Tendering and procurement of contracts
- Legal and professional
- Finance
- Marketing

The Academy Trust charges for these services on the following basis:

- 7.5% of General Annual Grant (GAG)
- 100% of grants towards the opening of new academies.

The actual amounts charged in the year were as follows:

	2019	2018
	£	£
Abbey Farm Pre-Development grant (DfE)	-	30,000
Mulberry Park Educate Together Academy	11,175	-
Mulberry Park Pre-Development grant (Local Authority)	-	66,034
Mulberry Park Start Up grant (DfE)	-	25,000
Parklands Educate Together Academy	11,790	-
Parklands Pre-Development grant (Local Authority)	-	51,385
Parklands Start Up grant (DfE)	-	25,000
Redfield Educate Together Academy	93,339	49,785
Somerdale Educate Together Academy	23,889	8,248
	<b>140,193</b>	<b>255,452</b>

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 11 Related party transactions - Trustees' remuneration and expenses

One trustee has been paid remuneration or has received other benefits from employment with the Academy Trust. The CEO only receives remuneration in respect of services she provides undertaking the role of CEO under their contract of employment.

The value of trustees' remuneration and other benefits was as follows:

R Farrell (CEO):

Remuneration £50,000 - £55,000 (1 September 2018 - 2 April 2019) (23 April 2017 - 31

August 2018: £30,000 - £35,000)

Employer's pension contributions paid £5,000 - £10,000 (1 September 2018 - 2 April 2019)

(23 April 2017 - 31 August 2018: £5,000 - £10,000)

During the year, travel and subsistence expenses totalling £nil were reimbursed or paid directly to no Trustees (2018: £6,002 to 1 Trustee).

### 12 Trustee's and officer's insurance

The Academy Trust has opted into the Department for Education's risk protection agreement (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.

### 13 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Fixtures and equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2018	15,100,000	14,104	115,746	141,304	15,371,154
Additions	-	8,473	76,437	45,823	130,733
At 31 August 2019	<u>15,100,000</u>	<u>22,577</u>	<u>192,183</u>	<u>187,127</u>	<u>15,501,887</u>
<b>Depreciation</b>					
At 1 September 2018	436,000	470	19,746	57,574	513,790
Charge for the year	302,000	2,049	14,967	35,166	354,182
At 31 August 2019	<u>738,000</u>	<u>2,519</u>	<u>34,713</u>	<u>92,740</u>	<u>867,972</u>
<b>Net book value</b>					
At 31 August 2019	<u>14,362,000</u>	<u>20,058</u>	<u>157,470</u>	<u>94,387</u>	<u>14,633,915</u>
At 31 August 2018	<u>14,664,000</u>	<u>13,634</u>	<u>96,000</u>	<u>83,730</u>	<u>14,857,364</u>

## Educate Together Academy Trust

### Notes to the Financial Statements for the year ended 31 August 2019

#### 14 Debtors

	2019	2018
	£	£
Trade debtors	4,263	483
VAT recoverable	53,114	35,077
Other debtors	4,442	500
Prepayments and accrued income	64,138	43,997
	<u>125,957</u>	<u>80,057</u>

#### 15 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	-	132,343
Other taxation and social security	32,422	23,136
ESFA creditor: abatement of GAG	3,984	47,809
Other creditors	2,741	20,106
Accruals and deferred income	139,520	101,024
	<u>178,667</u>	<u>324,418</u>

	2019	2018
	£	£
Deferred income at 1 September 2018	78,155	36,458
Released from previous years	(78,155)	(36,456)
Resources deferred in the year	80,956	78,155
Deferred income at 31 August 2019	<u>80,956</u>	<u>78,155</u>

At the balance sheet date the Academy Trust was holding funds of £53,534 received in advance for Universal Infant Free School Meals for the 19/20 academic year, funds of £5,890 received in advance for lettings in the 19/20 academic year, funds of £11,172 received in advance for Pre-School funding from a Local Authority for the 19/20 academic year, funds of £8,908 for rates relief for 19/20 academic year and funds of £1,352 received in advance for music lessons taking place in the 19/20 academic year.

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>					
General funds	<u>(108,914)</u>	<u>115,861</u>	<u>(19,404)</u>	<u>116,064</u>	<u>103,607</u>
<b>Restricted funds</b>					
General annual grant (GAG)	261,362	1,869,233	(1,668,602)	(113,940)	348,053
Pupil premium	-	98,223	(98,223)	-	-
High needs	-	63,719	(63,719)	-	-
Universal infant free school meals	-	91,771	(91,771)	-	-
Devolved formula capital	-	22,659	(6,846)	(8,076)	7,737
PE sports grant	-	27,658	-	-	27,658
Pre development grant - LA	117,767	-	(67,615)	-	50,152
Post opening grant - LA	-	275,241	(204,741)	-	70,500
Pre-school - LA	-	85,798	(85,798)	-	-
FFE grant - LA	315,467	14,769	(17,668)	(130,247)	182,321
Other restricted funds	-	50,436	(50,723)	5,466	5,179
Pension reserve	<u>(174,000)</u>	-	<u>(115,000)</u>	<u>(196,000)</u>	<u>(485,000)</u>
	<u>520,596</u>	<u>2,599,507</u>	<u>(2,470,706)</u>	<u>(442,797)</u>	<u>206,600</u>
<b>Restricted fixed asset funds</b>					
Fixed assets purchased from GAG and other restricted funds	193,364	-	(52,182)	130,733	271,915
Fixed assets donated by Local Authority	14,664,000	-	(302,000)	-	14,362,000
	<u>14,857,364</u>	-	<u>(354,182)</u>	<u>130,733</u>	<u>14,633,915</u>
<b>Total restricted funds</b>	<u>15,377,960</u>	<u>2,599,507</u>	<u>(2,824,888)</u>	<u>(312,064)</u>	<u>14,840,515</u>
<b>Total funds</b>	<u>15,269,046</u>	<u>2,715,368</u>	<u>(2,844,292)</u>	<u>(196,000)</u>	<u>14,944,122</u>

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

#### Restricted funds

General annual grant – This represents funding received from the ESFA, which is to be used for the normal running costs of the Academy, including education and support costs. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward on 31 August 2019.

Pupil premium – This represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

High needs – This represents funding received by the Local Authority to fund further support for pupils with additional needs.



# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 16 Funds (continued)

Universal infant free school meals (UIFSM) – This represents funding received from the ESFA to enable the Academy Trust to offer free school meals to every pupil in reception, year 1 and year 2.

Devolved formula capital - This represents funding received from the ESFA to cover the maintenance and purchase of Academy's assets.

PE sports grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Pre development grant – This represents funding received from the Local Authority to support the opening of new academies.

Post opening grant - This represents funding received from the ESFA to contribute to the costs associated with opening any academy which is operating below capacity, such as providing resources and leadership.

Pre-school – This represents funding received from the Local Authority for the pre-school provision at Parklands Academy and Somerdale Academy.

FFE grant – This represents funding received from the Local Authority to purchase IT equipment and furniture in the new academies.

Pension reserve – This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets. The Academy Trust is following actuary recommendations to reduce the deficit by making additional contributions over a number of years.

### Restricted fixed asset funds

Fixed assets purchased from GAG and other restricted funds – This represents amounts spent on fixed assets from the GAG and Devolved Formula Capital funding received from the ESFA, as well as a furniture grant from the Local Authority.

Fixed assets donated by Local Authority – This represents the buildings occupied by the Academies within the Academy Trust.

### Fund transfers

The transfer from the restricted funds to the restricted fixed asset funds represents the total capital expenditure from Local Authority grants during the year.

The transfer from the restricted funds to the general fund represents prior year central services expenditure expensed through the general fund rather than the restricted fund.

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 16 Funds (continued)

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

	Balance at 1 September 2017 Restated £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>					
General funds	62,867	47,000	(218,781)	-	(108,914)
<b>Restricted funds</b>					
General annual grant (GAG)	168,315	1,177,127	(1,084,080)	-	261,362
Pupil premium	-	55,220	(55,220)	-	-
High needs	-	8,360	(8,360)	-	-
Universal infant free school meals	-	69,921	(69,921)	-	-
Devolved formula capital	-	5,901	(5,901)	-	-
PE sports grant	-	21,120	(21,120)	-	-
Start up grant	-	50,000	(50,000)	-	-
Pre development grant - LA	29,064	147,419	(58,716)	-	117,767
Post opening grant - LA	-	67,263	(67,263)	-	-
FFE Grant - LA	60,313	420,000	(29,275)	(135,571)	315,467
Other restricted funds	-	17,085	(17,085)	-	-
Pension reserve	(146,000)	-	(79,000)	51,000	(174,000)
	111,692	2,039,416	(1,545,941)	(84,571)	520,596
<b>Restricted fixed asset funds</b>					
Fixed assets purchased from GAG and other restricted funds	94,682	-	(36,869)	135,571	193,364
Fixed assets donated by Local Authority	7,290,000	7,600,000	(226,000)	-	14,664,000
	7,384,682	7,600,000	(262,869)	135,571	14,857,364
<b>Total restricted funds</b>	7,496,374	9,639,416	(1,808,830)	51,000	15,377,960
<b>Total funds</b>	7,559,241	9,686,416	(2,027,611)	51,000	15,269,046

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 16 Funds (Continued)

#### Total funds analysis by academy

Fund balances as at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Mulberry Park Educate Together Academy	138,550	-
Parklands Educate Together Academy	22,326	-
Redfield Educate Together Academy	609,990	412,172
Somerdale Educate Together Academy	88,485	68,493
Central services	<u>(64,144)</u>	<u>105,017</u>
Total before fixed assets and pension reserve	795,207	585,682
Restricted fixed asset fund	14,633,915	14,857,384
Pension reserve	<u>(485,000)</u>	<u>(174,000)</u>
<b>Total</b>	<b><u>14,944,122</u></b>	<b><u>15,269,046</u></b>

The trust is comprised of four newly opened schools (including two that opened this year) and as such the top slice income to support the central services is low. The deficit on central services will be eliminated once the schools gain more pupils increasing GAG income and as such the top slice funding for central services.

#### Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs 2019 £	Other Support Staff Costs 2019 £	Educational Supplies 2019 £	Other Costs (excluding Depreciation) 2019 £	Total 2019 £	Total 2018 £
Mulberry Park ET Academy	119,285	21,507	18,960	70,936	230,688	-
Parklands ET Academy	185,420	24,321	25,186	51,822	286,749	-
Redfield ET Academy	803,516	153,822	83,310	231,433	1,272,081	1,065,456
Somerdale ET Academy	264,785	56,258	21,189	84,622	426,854	288,822
Central services	25,956	181,928	-	65,854	273,738	410,444
	<u>1,398,962</u>	<u>437,836</u>	<u>148,645</u>	<u>504,667</u>	<u>2,490,110</u>	<u>1,764,722</u>

## Educate Together Academy Trust

### Notes to the Financial Statements for the year ended 31 August 2019

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	14,633,915	14,633,915
Current assets	103,607	870,267	-	973,874
Current liabilities	-	(178,667)	-	(178,667)
Pension scheme liability	-	(485,000)	-	(485,000)
	<u>103,607</u>	<u>206,600</u>	<u>14,633,915</u>	<u>14,944,122</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	14,857,364	14,857,364
Current assets	-	910,100	-	910,100
Current liabilities	(108,914)	(215,504)	-	(324,418)
Pension scheme liability	-	(174,000)	-	(174,000)
	<u>(108,914)</u>	<u>520,596</u>	<u>14,857,364</u>	<u>15,269,046</u>

#### 18 Operating lease commitments

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	5,428	3,470
Amounts due between one and five years	9,499	9,698
Amounts due after five years	-	-
	<u>14,927</u>	<u>13,168</u>

The Parklands Academy occupies temporary accommodation under a lease agreement with North Somerset District Council. The lease runs until 30 September 2020 and rent is charged at a peppercorn. A donation in kind of £5k has been recognised alongside corresponding £5k notional expenditure for the rental of the temporary accommodation.

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

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

	2019	2018
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(128,924)	7,658,805
Adjusted for:		
Depreciation charges	354,182	262,889
Donation of tangible fixed asset	-	(7,800,000)
Interest receivable	(451)	(276)
Defined benefit pension scheme cost less contributions payable (note 22)	112,000	75,000
Defined benefit pension scheme finance cost (note 22)	3,000	4,000
(Increase)/decrease in debtors	(45,900)	6,018
(Decrease)/increase in creditors	(145,751)	194,872
Net cash provided by/(used in) operating activities	<u>148,156</u>	<u>801,108</u>

### 20 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>847,917</u>	<u>830,043</u>
	<u>847,917</u>	<u>830,043</u>

### 21 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.

### 22 Pension obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £nil were payable to the schemes at 31 August 2019 (2018: £18,334) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 22 Pension obligations (continued)

#### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

#### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £138,242 (2018: £89,221).

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 2019 was £106,000 (2018: £56,000), of which employer's contributions totalled £74,000 (2018: £37,000) and employees' contributions totalled £32,000 (2018: £19,000). The agreed contribution rates for future years are 16.5% - 20.0% for employers and 5.5% - 12.5% for employees.

# Educate Together Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 22 Pension obligations (continued)

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

#### Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.50%	3.70%
Rate of increase for pensions in payment / inflation	2.10%	2.30%
Discount rate for scheme liabilities	1.80%	2.90%
Inflation assumption (CPI)	2.00%	2.20%

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

	2019	2018
<i>Retiring today</i>		
Males	23.7	23.6
Females	26.2	26.1
<i>Retiring in 20 years</i>		
Males	26.3	26.2
Females	29.0	28.8

#### Sensitivity analysis

	2019	2018
	£	£
Discount rate +0.1%	458,000	181,000
Salary increase rate +0.1%	489,000	176,000
Mortality assumption – 1 year increase	499,000	180,000
CPI rate +0.1%	513,000	187,000

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

	2019	2018
	£	£
Equities	170,000	87,000
Government bonds	-	26,000
Other bonds	39,000	27,000
Property	20,000	20,000
Cash and other liquid assets	4,000	8,000
Other	129,000	52,000
<b>Total market value of assets</b>	<b>362,000</b>	<b>220,000</b>

The actual return on scheme assets was £19,000 (2018: £9,000).

#### Amount recognised in the Statement of Financial Activities

	2019	2018
	£	£
Current service cost	(154,000)	(110,000)
Interest income	8,000	5,000
Interest cost	(13,000)	(9,000)
Admin expenses	(3,000)	(2,000)
<b>Total</b>	<b>(162,000)</b>	<b>(116,000)</b>

## Educate Together Academy Trust

### Notes to the Financial Statements for the year ended 31 August 2019

#### 22 Pension obligations (continued)

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

	2019	2018
	£	£
At 1 September	394,000	303,000
Current service cost	154,000	110,000
Interest cost	13,000	9,000
Employee contributions	32,000	19,000
Actuarial (gain)/loss	235,000	(47,000)
Transfers paid	19,000	-
At 31 August	<u>847,000</u>	<u>394,000</u>

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

	2019	2018
	£	£
At 1 September	220,000	157,000
Interest income	8,000	5,000
Actuarial gain	12,000	4,000
Employer contributions	74,000	37,000
Employee contributions	32,000	19,000
Transfers paid	19,000	-
Administration expenses	(3,000)	(2,000)
At 31 August	<u>362,000</u>	<u>220,000</u>

#### 23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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.

During the year the Academy Trust were invoiced £nil (2018: £30,517) for consultancy to Educate Together/Ag Foglaim Le Chéile, a company limited by guarantee with charitable status registered in Ireland, which is a founding member of the Trust with special rights to appoint four trustees. At the year end there was £nil (2018: £30,356) shown in creditors due to Educate Together/Ag Foglaim Le Chéile. During the year the creditor balance owed to Educate Together/Ag Foglaim Le Chéile was written off.