

Educate Together Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2020

Educate Together Academy Trust

Contents Page

	Page
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	10
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15
Independent Reporting Accountant's Report on Regularity	17
Statement of Financial Activities incorporating Income & Expenditure Account	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22

Educate Together Academy Trust

Reference and Administrative Details for the year ended 31 August 2020

Members	Educate Together/Ag Foghlaim Le Chéile D Bruce G Hocking (from 16 September 2019) D MacAonghusa C White (until 29 April 2020)
Trustees/Directors	A Goodall, Chair (appointed as Chair 17 September 2019) Y Barker-Layton X Baker (appointed 30 September 2020) H Barrett (appointed 28 April 2020) T Brewer (appointed 13 November 2020) K Brown H Carr M Doyle (resigned 13 February 2020) C Garnett (resigned 20 September 2019) P Phillpotts (appointed 4 June 2020) M Ryder (appointed 6 February 2020) J Skinner (resigned 17 September 2019) C White (appointed 8 November 2019, resigned 29 April 2020)
Company Secretary	J Bradshaw
Senior Management Team	
CEO/Accounting Officer/Headteacher (Redfield)	R Farrell (until 31 December 2019)
Acting Headteacher (Redfield)	M McCarthy (from 1 January 2020 until 31 August 2020)
Headteacher (Somerdale)	J Barr
Headteacher (Mulberry Park)	E Garnett
Headteacher (Parklands)	S Davies
Interim CEO/Accounting Officer	J Bradshaw (Interim CEO from 1 January 2020)
Company Name	Educate Together Academy Trust
Principal and Registered Office	Redfield Educate Together Avonvale Road Redfield Bristol, BS5 9RH
Company Registration Number	08859774
Independent Auditor	MHA Monahans Fortescue House, Court Street Trowbridge BA14 8FA
Bankers	Lloyds Bank PLC 16 The Triangle, Clevedon BS21 6NG
Solicitors	Blake Morgan LLP 10 Victoria Street Bristol BS1 6BN

Educate Together Academy Trust

Trustees' Report for the year ended 31 August 2020

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 2020. 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. Its academies have a combined eventual pupil capacity of 1,260 and had a roll of 511 in the school census of October 2019, as they are all recently opened and are adding year groups each year.

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 of 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 number of Trustees that can be appointed by Members shall not be less than three and is subject to a maximum of twelve. Trustees are appointed based on skills gaps identified by the ETAT Board and the Academy Ambassadors programme is used to assist with 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. Normally new Trustees also attend at least one academy site visit and attend an induction process to acquaint themselves with the work of the Trust, this has not been possible this year due to Covid-19 pandemic and limited access to schools. The Trust used Governor Hub as way of storing documents and communicating updates. Governor Hub provides electronic copies of minutes, reports, agendas, financial information and policies and electronic ratification has enabled the Trust to move quickly when needed.

Educate Together Academy Trust

Trustees' Report (Continued) for the year ended 31 August 2020

Organisational Structure

The trustees met six times during the year 2019-20. The Board sets the framework for the governance of the Trust and it sets out membership of the committees, their terms of reference and operation. The Board receives termly reports from the Audit, Finance and Risk (AFR) Committee, the Human Resources (HR) Committee and the Education Committee. The Pay committee is a subcommittee of the HR Committee.

The AFR Committee meets a minimum of three times a year and its remit is:

- To provide assurance over the suitability of, and compliance with, its financial systems, operational controls, audit arrangements and risk management. The committee will aid the Board's responsibility to ensure sound management of the Trust's finances and resources.

The HR Committee meets a minimum of three times a year and its remit is:

- To consider strategic and contractual issues relating to staffing and recruitment.
- To oversee the appraisal process of the CEO.
- To oversee processes for the recruitment, induction, appraisal and training of all Board and committee members.
- To keep under review the skills, knowledge and experience on the Board and all committees and advise the Board on succession planning and renewal.

The EIS Committee meets a minimum of three times a year and its remit is:

- On behalf of the Board to lead on developing and monitoring the Trust's educational strategy to ensure that pupils get the best possible education at all the Trust's schools.
- To liaise and consult with other committees where necessary.
- To contribute to the Trust Improvement Plan.
- To consider safeguarding, SEND, and equalities implications when undertaking all committee functions.

The Board of Trustees have devolved responsibility for operations and management of the Trust to the CEO.

Arrangements for setting pay and remuneration of key management personnel

The Board has now appointed a School Improvement Partner who will oversee the performance review of the new Executive Headteacher. The performance review of the CEO will be Trust Board function but driven by the Chair and Vice Chair. As the CEO is newly appointed there will be a joint review of the performance targets. The terms of reference for the CEO performance review panel were approved in October 2019 and the remit and purpose of the panel is:

- To oversee the annual performance review of the chief executive officer (CEO) against objectives and other criteria as may from time to time be agreed with the CEO; to set the next year's objectives and criteria; and propose pay progression based on the outcome of the performance review.

Trade Union Facility Time

During the year, the Trust had 0 members of staff who offered Trade Union facilities time. They spent 0% of their time on Trade Union facilities time. During the year, the Trust received £0 for their time, which equates to 0% of their wage bill. The Trust received 100% of time that member of staff carried out work for Trade Unions.

Educate Together Academy Trust

Trustees' Report (Continued) for the year ended 31 August 2020

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust. The Trust is developing a closer educational 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 Trust has four primary schools: Redfield Educate Together in Bristol, Somerdale Educate Together in Keynsham, Mulberry Park Educate Together in Bath and Parklands Educate Together in Weston-super-Mare.

Our unique ethical curriculum and our core principles are enabling us to create a learning environment that nurtures, encourages and builds the skills children will need in our increasingly diverse and globalised world. We are an equality based school where no child is an outsider and we learn together to live together. We aim to develop the whole child, encouraging their individuality, respecting each child's identity and respecting that of their family equally.

We work hard to create a positive, comfortable atmosphere in all our schools nurturing each child as an individual. The underlying concept is that human diversity enhances life, enriches culture and provides huge educational resources for current society and its future social, cultural and economic prosperity. Each school is different and meets the needs and aspirations of their local community and parents however each school adheres to these

ETAT Four core principles:

- 1. Equality based i.e. all children having equal rights of access to the school, and children of all social, cultural and religious backgrounds being equally respected.**
- 2. Co-educational, all children are encouraged to explore their full range of abilities and opportunities.**
- 3. Child-centred, in that we put the children at the heart of every decision and activity. If it is not for children's learning or welfare then why do it?**
- 4. Democratically run with active participation by parents, pupils and the community in the daily life of the school, whilst positively affirming the professional role of teachers.**

We actively encourage and teach children to be proactive participants in our world, questioning and reflecting on all that life brings them.

Our ethical Learn Together curriculum is taught every day with the National Curriculum integrated into it. This means that the children will be 'secondary ready' with their core skills of Maths, English, Science and all the usual subjects and will also have a range of other skills to enable them to be proactive citizens. High standards in a rich knowledge and skills based academic and non-academic curriculum are the expectation.

Day by day we question whether what we do is for the children's learning and the children's welfare. If it isn't then we question why we are doing it. We believe it is important to have high academic standards and it is possible to achieve this alongside a creative and ethical curriculum.

Educate Together Academy Trust

Trustees' Report (Continued) for the year ended 31 August 2020

Objectives, Strategies and Activities

ETAT objectives:

The Trust's fundamental aim is to empower children to make a change in the world by:

1. Promoting and embedding the ETAT ethos vision and values in all the teaching and the day to day, operations of each school. We question whether each decision and action is child based.
2. Developing a new comprehensive Trust wide strategy for the development of teaching and learning, linked to key values and ethos.
3. Increasing the attainment and progression of all children underpinned by the provision of outstanding learning and teaching.
4. Supporting all children to achieve their individual best, regardless of their starting point or circumstance with a special focus on reducing the attainment gap of disadvantaged children.
5. Ensure there is a focused school improvement strategy which has a measurable impact across the trust, leading to excellent outcomes and external judgements that reflect the quality of our work.

Effective and Collaborative partnerships are promoted with all stakeholders to develop outstanding SEND provision by:

1. Ensure effective and consistent implementation of the Graduated Approach to SEND support across each academy so that SEND pupils make good progress from their starting points, their needs are identified early, appropriate provision and interventions are in place and there is equitable provision across the MAT.
2. Ensure that an effective structure for SEND leadership and learning support is included within the leadership structure of the MAT to enable SEND provision to be an integral component of all strategic planning and evaluation and that the Trust embodies our principles of learner-centred and equality based education, creating a culture which embraces and celebrates neuro-diversity.
3. Ensure that the systems and processes associated with the effective identification of learners with SEND are consistently applied across each academy to ensure equitable provision across a MAT.
4. Ensure that the executive leadership team have a clear understanding of the progress and attainment of learners with SEND and how these compare with national data and with other learners across the MAT.
5. Develop a broad understanding of strengths and areas for further improvement to support the identification of MAT wide strategic priorities.

Work collaboratively with all stakeholders to develop and implement policies and practice to improve the well-being of staff, students and families by:

1. Ensure excellent parental engagement and confidence in our schools and values.
2. Recruit and retain the best talent as well as keep our staff feeling valued and motivated and to continue to ensure that staff well-being is fully supported and provided by providing focused training and development opportunities of our staff and provide additional career opportunities as the Trust grows.
3. Ensure children and staff maintain good mental health and develop safe healthy relationships.
4. Implement a trust wide teaching and learning programme that ensures all our staff have the right skills to further raise standards, deliver good teaching and learning and share good practice.

Educate Together Academy Trust

Trustees' Report (Continued) for the year ended 31 August 2020

High standards of Governance & leadership, with financial security and effective management supported by efficient services must be embedded in all areas to enable excellent outcomes by:

1. Effective scrutiny by trustees and governors that supports leaders in their pursuit of educational excellence and providing a safe learning and working environment for all schools.
2. Continue to increase financial strength and sustainability and effective financial management. Well-managed finances ensure the Trust maintains its viability and is able to grow as well as invest in its schools.
3. Having the professional confidence to be open about what is working well, but equally what it is that needs to improve, places an organisation in a strong position to build on its successes and address those areas that require development. This is strengthened through the development of open partnerships with those who have both an interest in the provision being of the highest quality and those who are in a position to support its development.
4. Robust oversight from leaders and governors ensures that staff in all roles are confident, highly skilled and able to provide an exemplar for others to follow.

Specific Priorities for the year ahead:

1. Implement risk management framework and exemplary financial controls to demonstrate consistently positive internal and external audit outcomes.
2. Ensure that the Educate Together ethos is carried through the organisation and embedded in our teaching and learning.
3. Provide a collaborative responsibility for ensuring the betterment of the Trust and the schools, sharing best practice, assets and resources.
4. To grow the Trust in order to support schools and communities in need, to enhance our capacity and to ensure sustainability.
5. Continue to build and develop a strong Central Business Education Support team and infrastructure to continue to improve and support the schools.

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.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

There is no statutory data for 19/20 as assessments were cancelled due to Covid 19. All schools have completed baseline assessments for September and have identified gaps in reading, phonics, writing and maths in every year group. All schools registered for Nuffield Early Language Intervention (NELI) and catch-up tutoring in September. So far, Redfield, Parklands and Mulberry Park have been accepted onto the NELI programme. All YR children have been screened for Speech and Language in YR with interventions starting this term. All schools will be completing the statutory phonics screen for all Y2 children and the Y3 who did not pass it in Y1. This will be repeated in June for those who do not pass.

Educate Together Academy Trust

Trustees' Report (Continued) for the year ended 31 August 2020

The Trust's schools closed on the 23rd March in line with Government guidance and remained open for families of key workers and vulnerable children only. The schools continued to provide remote learning plans and set up online learning platforms, which have been shared with parents and can be actioned immediately in the case of partial or full lockdown.

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. The Trust's use of KPIs is limited by the Trust's unique position of only having recently opened schools, which means none of the schools are at full capacity in 19-20. This does not allow for reliable comparative analysis when benchmarking.

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.

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 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2020, the Trust (excluding the restricted fixed asset fund and pension funds) received total recurring income of £3,637,904 and incurred total expenditure of £3,659,911. The excess of expenditure over income for the year was £22,007.

At 31 August 2020 the net book value of tangible fixed assets was £23,438,502 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 £775,698. The Trust is currently reviewing this policy.

Educate Together Academy Trust

Trustees' Report (Continued) for the year ended 31 August 2020

Investment Policy

All funds surplus to immediate requirements are invested to maximise investment income.

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.

Financial – The Trust has considerable reliance on the provision of Government funding to ensure continuity. 96% of the Trust's funding is from this source and whilst it is unlikely that these funds would cease, there is no assurance or guarantee that a change in government or policy would not have an adverse effect.

Fraud and fund mismanagement – The Trust has changed its external auditors in 17/18 and appointed MHA Monahans to ensure regularity and adherence to the Academies Financial Handbook. The recent appointment of a chartered accountant as the CFO continues to strengthen the financial robustness of the Trust's financial processes.

Safeguarding and Child Protection- The Trust has recently undertaken an in-depth review of its policies and procedures and the appointment of a Trust Executive SENCo has provided an opportunity to implement a strategic Trust wide SEN strategy. This will allow the Trust to pursue joint training, development and collaborative working.

Staffing – All organisations are reliant upon their staff to be successful and be fulfilling places to work and learn. The Trust places a huge emphasis on the well-being of its staff. The organisation attracts a high level of candidates for each vacancy and has relatively high retention rates. The Trust has engaged a mental health specialist to work with individuals and schools and the Trust is supporting mental health champions at each school.

Pupil Numbers - The Trust is considerably reliant upon pupil numbers for its funding and as it carries a higher level of cost per school per pupil than other schools being composed of all recently opened schools, this presents a significant risk. Attracting and retaining pupils is important whilst three of schools continue to be oversubscribed at reception intake, the Trust is managing the numbers on roll and retention by improving educational achievements and outcomes.

The Trust is in the process of reviewing its risk strategy, policy and register and has now emphasised the importance of risk management in the division of the Audit, Finance & Risk Committee into two separate committees: Audit & Risk Committee and Finance Committee from September 2020. The board receive termly (six times a year) detailed management accounts which allows the Trustees to measure financial performance against budget, key performance indicators and national benchmarking. Trustees also regularly receive cash flow forecasts, balance sheets and income and expenditure analysis.

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 of staffing resources and expenditure. There has been a substantial increase in the lettings income for the Trust, although this has been affected by Covid, as lockdowns have prevented events to take place. The central business team also undertake a remunerated consultancy role in another MAT. Fundraising is through parent groups in all schools, but again this has been severely limited by Covid.

Educate Together Academy Trust

Trustees' Report (Continued) for the year ended 31 August 2020

Plans for Future Periods

The permanent Academy building for Abbey Farm Educate Together (Swindon) will be completed in Autumn 2022. The original opening date of September 2021 has been delayed because of Covid.

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 AGM.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2020 and signed on the board's behalf by:



A Goodall
Chair of Trustees
3 December 2020

Educate Together Academy Trust

Governance Statement for the year ended 31 August 2020

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	6	6
H Barrett (appointed 28 April 2020)	1	1
K Brown	6	6
H Carr	6	6
M Doyle (resigned 13 February 2020)	3	4
C Garnett (resigned 20 September 2019)	-	-
P Phillpotts (appointed 4 June 2020)	1	1
M Ryder (appointed 6 February 2020)	2	3
J Skinner (resigned 17 September 2019)	-	-
C White (appointed 8 November 2019, resigned 29 April 2020)	-	4

The Audit, Finance and Risk (AFR) Committee is a 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.

During the year M Ryder, a qualified accountant, joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Y Barker-Layton, Chair	3	4
A Goodall	4	4
M Ryder (appointed 6 February 2020)	1	2

Educate Together Academy Trust

Governance Statement (continued) for the year ended 31 August 2020

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.

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 equipment 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 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 that has been in place for the year to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

Educate Together Academy Trust

Governance Statement (continued) for the year ended 31 August 2020

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 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
- A review of the financial reporting process

Due to Covid planned internal audit visits in the Spring/Summer terms were postponed. To replace this a suitably qualified Trustee from the AFR Committee conducted some sample checks surrounding the controls on the purchasing system during the Summer term.

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 internal auditor;
- 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 3 December 2020 and signed on its behalf by:



A Goodall
Chair of Trustees



J Bradshaw
Accounting Officer

Educate Together Academy Trust

Statement of Regularity, Propriety and Compliance for the year ended 31 August 2020

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 2019.

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

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



J Bradshaw
Accounting Officer
3 December 2020

Educate Together Academy Trust

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

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

Company law requires the trustees to prepare financial statements for each financial 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 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; 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 3 December 2020 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 2020

Opinion

We have audited the financial statements of Educate Together Academy Trust (the 'charitable company') for the year ended 31 August 2020 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 2019 to 2020 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 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, 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 2019 to 2020.

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 2020 (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.

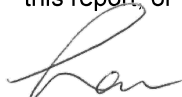
Our responsibilities for the audit of the financial statements

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. 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: 16 December 2020.....

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 2020

In accordance with the terms of our engagement letter dated 14 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Educate Together Academy Trust during the year 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 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA.

We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2020 (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 2020 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: 16 December 2020.....

Educate Together Academy Trust

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 August 2020

	Note	Unrestricted Funds 2020 £	Restricted General Funds 2020 £	Restricted Fixed Asset Funds 2020 £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	2	251	21,010	8,900,000	8,921,261	33,209
Charitable activities	3	83,903	3,490,441	-	3,574,344	2,661,715
Other trading activities	4	41,850	-	-	41,850	19,993
Investments	5	449	-	-	449	451
Total		126,453	3,511,451	8,900,000	12,537,904	2,715,368
Expenditure on:						
Charitable activities		119,048	3,540,863	300,915	3,960,826	2,844,292
Total	6	119,048	3,540,863	300,915	3,960,826	2,844,292
Net income / (expenditure) before transfers		7,405	(29,412)	8,599,085	8,577,078	(128,924)
Transfers between funds	16	-	(205,502)	205,502	-	-
Net (expenditure)/ income before other recognised gains / (losses)		7,405	(234,914)	8,804,587	8,577,078	(128,924)
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	23	-	(566,000)	-	(566,000)	(196,000)
Net movement in funds		7,405	(800,914)	8,804,587	8,011,078	(324,924)
Reconciliation of funds:						
Total funds brought forward		103,607	206,600	14,633,915	14,944,122	15,269,046
Total funds carried forward		111,012	(594,314)	23,438,502	22,955,200	14,944,122

The notes on pages 22 to 41 form part of these financial statements.

Educate Together Academy Trust

Balance Sheet as at 31 August 2020

Company Number 08859774

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	13		23,438,502		14,633,915
Current assets					
Debtors	14	270,934		125,957	
Cash at bank and in hand	21	1,104,396		847,917	
		1,375,330		973,874	
Liabilities					
Creditors: Amounts falling due within one year	15	(599,632)		(178,667)	
Net current assets			775,698		795,207
Total assets less current liabilities			24,214,200		15,429,122
Defined benefit pension scheme liability	23		(1,259,000)		(485,000)
Total net assets			22,955,200		14,944,122
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	23,438,502		14,633,915	
Restricted income fund	16	664,686		691,600	
Pension reserve	16	(1,259,000)		(485,000)	
Total restricted funds			22,844,188		14,840,515
Unrestricted income funds	16		111,012		103,607
Total funds			22,955,200		14,944,122

The financial statements were approved by the trustees and authorised for issue on 3 December 2020 and are signed on their behalf by:



A Goodall
Chair of Trustees

The notes on pages 22 to 41 form part of these financial statements.

Educate Together Academy Trust

Statement of Cash Flows for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	20	<u>461,532</u>	148,156
Cash flows from investing activities:			
Interest received		449	451
Purchase of tangible fixed assets		<u>(205,502)</u>	(130,733)
		<u>(205,053)</u>	(130,282)
Change in cash and cash equivalents in the reporting period		256,479	17,874
Cash and cash equivalents brought forward		<u>847,917</u>	830,043
Cash and cash equivalents carried forward	21	<u><u>1,104,396</u></u>	<u>847,917</u>

The notes on pages 22 to 41 form part of these financial statements.

Educate Together Academy Trust

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), 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 2019 to 2020 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 2020

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 DfE group.

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 2020

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 2020

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 2020

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 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2020 £	Restricted Funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital grants	-	8,479	8,479	22,659
Donated fixed assets	-	8,900,000	8,900,000	-
Other donations	251	12,531	12,782	10,550
	<u>251</u>	<u>8,921,010</u>	<u>8,921,261</u>	<u>33,209</u>
Total 2019	<u>79</u>	<u>33,130</u>	<u>33,209</u>	

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General annual grant (GAG)	-	2,485,462	2,485,462	1,869,233
Start up grants	-	-	-	-
Other DfE Group grants	-	456,973	456,973	255,339
	<u>-</u>	<u>2,942,435</u>	<u>2,942,435</u>	<u>2,124,572</u>
Other government grants				
Local Authority grants	-	545,217	545,217	439,527
	<u>-</u>	<u>545,217</u>	<u>545,217</u>	<u>439,527</u>
Exceptional government funding				
Coronavirus exceptional support	-	1,789	1,789	-
	<u>-</u>	<u>1,789</u>	<u>1,789</u>	<u>-</u>
Other income				
Other income from the Academy Trust's educational operations	83,903	1,000	84,903	97,616
	<u>83,903</u>	<u>1,000</u>	<u>84,903</u>	<u>97,616</u>
	<u>83,903</u>	<u>3,490,441</u>	<u>3,574,344</u>	<u>2,661,715</u>
Total 2019	<u>95,338</u>	<u>2,566,377</u>	<u>2,661,715</u>	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The funding received for coronavirus exceptional support covers £1,789 of free school meals costs outside of the national voucher scheme. These costs are included in notes 6,7 and 8 below as appropriate.

4 Other trading activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	29,251	-	29,251	15,622
Income from other charitable activities	1,342	-	1,342	1,526
Income from ancillary trading activities	11,257	-	11,257	2,845
	<u>41,850</u>	<u>-</u>	<u>41,850</u>	<u>19,993</u>
Total 2019	<u>19,993</u>	<u>-</u>	<u>19,993</u>	

5 Investment income

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	449	-	449	451
Total 2019	<u>451</u>	<u>-</u>	<u>451</u>	

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

6 Expenditure

	Non Pay Expenditure				Total 2019 £
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	
Direct costs	1,538,414	293,127	169,727	2,001,268	1,559,618
Support costs	1,198,911	308,652	451,995	1,959,558	1,284,674
	<u>2,737,325</u>	<u>601,779</u>	<u>621,722</u>	<u>3,960,826</u>	<u>2,844,292</u>
Total 2019	<u>1,836,798</u>	<u>597,488</u>	<u>410,006</u>	<u>2,844,292</u>	

Net income/(expenditure) for the period includes:

	Total 2020 £	Total 2019 £
Operating lease rentals	10,021	4,210
Depreciation	300,915	354,182
Auditors' remuneration - audit	9,000	8,000
Auditors' remuneration – other services	7,575	5,320
	<u>327,511</u>	<u>711,712</u>

7 Charitable activities

	Total 2020 £	Total 2019 £
Direct costs – educational operations	2,001,268	1,559,618
Support costs – educational operations	1,959,558	1,284,674
	<u>3,960,826</u>	<u>2,844,292</u>

8 Analysis of support costs

	Total 2020 £	Total 2019 £
Support staff costs	1,198,911	775,830
Depreciation	17,788	15,872
Technology costs	61,347	32,657
Premises costs	290,864	243,306
Legal costs - other	21,556	20,935
Other support costs	328,713	175,139
Governance costs	40,379	20,935
Total support costs	<u>1,959,558</u>	<u>1,284,674</u>

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2020	Total 2019
	£	£
Wages and salaries	1,934,177	1,386,090
Social security costs	179,404	126,297
Pension costs	572,138	324,411
	2,685,719	1,836,798
Agency staff costs	65,668	34,659
Staff restructuring costs	51,606	-
	2,802,993	1,871,457
Staff restructuring costs comprise:		
Severance payments	51,606	-
	51,606	-

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,702 (2019: £nil). Individually, the payments were: £16,952 and £750.

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	27	18
Administration and support	55	36
Management	5	5
	87	59

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

	2020	2019
	No.	No.
Teachers	26	18
Administration and support	35	26
Management	5	5
	66	49

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

9 Staff (continued)

d. Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	3	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1

e. 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 £489,232 (2019: £422,148).

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:

- 13.5% (2019: 7.5%) of General Annual Grant (GAG); and
- 100% of grants towards the opening of new academies.

The actual amounts charged in the year were as follows:

	2020	2019
	£	£
Abbey Farm Pre-Development grant (DfE)	-	-
Mulberry Park Educate Together Academy	35,597	11,175
Parklands Educate Together Academy	40,385	11,790
Redfield Educate Together Academy	196,546	93,339
Somerdale Educate Together Academy	63,039	23,889
	<u>335,567</u>	<u>140,193</u>

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

11 Related party transactions - Trustees' remuneration and expenses

No trustees have been paid remuneration or has received other benefits from employment with the Academy Trust.

During the year, travel and subsistence expenses totalling £773 were reimbursed or paid directly to 3 Trustees (2019: £nil to no Trustees).

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 £
Cost					
At 1 September 2019	15,100,000	22,577	192,183	187,127	15,501,887
Additions	8,900,000	38,669	119,201	47,632	9,105,502
At 31 August 2020	<u>24,000,000</u>	<u>61,246</u>	<u>311,384</u>	<u>234,759</u>	<u>24,607,389</u>
Depreciation					
At 1 September 2019	738,000	2,519	34,713	92,740	867,972
Charge for the year	234,446	3,406	20,762	42,301	300,915
At 31 August 2020	<u>972,446</u>	<u>5,925</u>	<u>55,475</u>	<u>135,041</u>	<u>1,168,887</u>
Net book value					
At 31 August 2020	<u>23,027,554</u>	<u>55,321</u>	<u>255,909</u>	<u>99,718</u>	<u>23,438,502</u>
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>

The Trust has included the valuation of the building that it occupies at Parklands ET Academy as an addition under leasehold land and buildings. Although legal title of this building had not passed to the Trust at the time of preparing the financial statements, the Trust occupied the site and was in control of the property. The Trust considers that the property should therefore be included under Fixed Assets, in line with the provisions of FRS102. Long term leasehold agreements are anticipated to be agreed shortly.

The Trustees have estimated the valuation of the building, based on the budgeted costs of constructing the building as provided by the developer.

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

14 Debtors

	2020	2019
	£	£
Trade debtors	598	4,263
VAT recoverable	59,486	53,114
Other debtors	-	4,442
Prepayments and accrued income	210,850	64,138
	<u>270,934</u>	<u>125,957</u>

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	242,417	-
Other taxation and social security	42,992	32,422
ESFA creditor: abatement of GAG	84,575	3,984
Other creditors	48,518	2,741
Accruals and deferred income	181,130	139,520
	<u>599,632</u>	<u>178,667</u>

	2020	2019
	£	£
Deferred income at 1 September 2019	80,956	78,155
Released from previous years	(80,956)	(78,155)
Resources deferred in the year	139,472	80,956
Deferred income at 31 August 2020	<u>139,472</u>	<u>80,956</u>

At the balance sheet date the Academy Trust was holding funds of £76,380 received in advance for Universal Infant Free School Meals for the 20/21 academic year, funds of £11,871 received in advance for Devolved Formula Capital funding in the 20/21 academic year, funds of £5,486 in overpayments of Teachers' Pension Employer Contribution Grant to be used in the 20/21 academic year, funds of £7,583 received in advance for SEND top-up funding from a Local Authority for the 20/21 academic year, funds of £16,879 received in advance for Pre-School funding from a Local Authority for the 20/21 academic year, funds of £15,232 for rates relief for the 20/21 academic year and funds of £6,041 received in advance for music lessons, lettings and clubs taking place in the 20/21 academic year.

Trade creditors is materially higher than the prior year due to a large invoice for furniture and equipment at the new Parklands Educate Together building arriving at the end of August 2020.

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Unrestricted funds					
General funds	<u>103,607</u>	<u>126,453</u>	<u>(119,048)</u>	<u>-</u>	<u>111,012</u>
Restricted funds					
General annual grant (GAG)	348,053	2,485,462	(2,438,482)	(55,082)	339,951
Pupil premium	-	119,549	(119,549)	-	-
High needs	-	111,100	(111,100)	-	-
Universal infant free school meals	-	128,698	(128,698)	-	-
Devolved formula capital	7,737	8,479	(11,216)	-	5,000
PE sports grant	27,658	55,570	(32,728)	-	50,500
Pre development grant - LA	50,152	-	(17,863)	-	32,289
Post opening grant – LA	70,500	132,424	(132,424)	-	70,500
Pre-school – LA	-	161,125	(161,125)	-	-
FFE grant - LA	182,321	140,567	(6,222)	(150,420)	166,246
Other restricted funds	5,179	168,477	(173,456)	-	200
Pension reserve	(485,000)	-	(208,000)	(566,000)	(1,259,000)
	<u>206,600</u>	<u>3,511,451</u>	<u>(3,540,863)</u>	<u>(771,502)</u>	<u>(594,314)</u>
Restricted fixed asset funds					
Fixed assets purchased from GAG and other restricted funds	271,915	-	(66,469)	205,502	410,948
Fixed assets donated by Local Authority	14,362,000	8,900,000	(234,446)	-	23,027,554
	<u>14,633,915</u>	<u>8,900,000</u>	<u>(300,915)</u>	<u>205,502</u>	<u>23,438,502</u>
Total restricted funds	<u>14,840,515</u>	<u>12,411,451</u>	<u>(3,841,778)</u>	<u>(566,000)</u>	<u>22,844,188</u>
Total funds	<u>14,944,122</u>	<u>12,537,904</u>	<u>(3,960,826)</u>	<u>(566,000)</u>	<u>22,955,200</u>

The academy trust is not subject to GAG carried forward limits.

Fund transfers

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

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

16 Funds (continued)

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.

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.

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.

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

16 Funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Unrestricted funds					
General funds	<u>(108,914)</u>	<u>115,861</u>	<u>(19,404)</u>	<u>116,064</u>	<u>103,607</u>
Restricted funds					
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>-</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>
Restricted fixed asset funds					
Fixed assets purchased from GAG and other restricted funds	193,364	-	(52,182)	130,733	271,915
Fixed assets donated by Local Authority	<u>14,664,000</u>	<u>-</u>	<u>(302,000)</u>	<u>-</u>	<u>14,362,000</u>
	<u>14,857,364</u>	<u>-</u>	<u>(354,182)</u>	<u>130,733</u>	<u>14,633,915</u>
Total restricted funds	<u>15,377,960</u>	<u>2,599,507</u>	<u>(2,824,888)</u>	<u>(312,064)</u>	<u>14,840,515</u>
Total funds	<u>15,269,046</u>	<u>2,715,368</u>	<u>(2,844,292)</u>	<u>(196,000)</u>	<u>14,944,122</u>

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

16 Funds (Continued)

Total funds analysis by academy

Fund balances as at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Mulberry Park Educate Together Academy	153,801	138,550
Parklands Educate Together Academy	80,141	22,326
Redfield Educate Together Academy	493,386	609,990
Somerdale Educate Together Academy	100,193	88,485
Central services	(51,823)	(64,144)
Total before fixed assets and pension reserve	775,698	795,207
Restricted fixed asset fund	23,438,502	14,633,915
Pension reserve	(1,259,000)	(485,000)
Total	22,955,200	14,944,122

The Trust is comprised of four newly opened schools and as such the top slice income to support the central services is low, even though the % of GAG income charged is reasonably high compared to other Trusts. An adjustment was done in the year to split the historic central service deficit across Redfield Educate Together and Somerdale Educate Together to reflect the lower % of GAG income charged in previous years. The deficit on central services is being closely monitored and will be reduced each year and eliminated once the schools gain more pupils increasing GAG income and as such the top slice funding for central services. An exercise was conducted in the year to show that if all schools were full the charge to the schools would be around 7% of GAG income to support current central services costs.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs 2020 £	Other Support Staff Costs 2020 £	Educational Supplies 2020 £	Other Costs (excluding Depreciation) 2020 £	Total 2020 £	Total 2019 £
Mulberry Park ET Academy	215,318	29,440	11,386	90,990	347,134	230,688
Parklands ET Academy	328,994	48,176	13,687	71,650	462,508	286,749
Redfield ET Academy	1,049,532	189,344	80,108	318,254	1,637,239	1,272,081
Somerdale ET Academy	377,039	53,063	29,564	142,418	602,083	426,854
Central services	16,419	235,999	-	150,528	402,946	273,738
	1,987,303	556,022	134,745	773,840	3,451,910	2,490,110

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	23,438,502	23,438,502
Current assets	111,012	1,264,318	-	1,375,330
Current liabilities		(599,632)	-	(599,632)
Pension scheme liability		(1,259,000)	-	(1,259,000)
	<u>111,012</u>	<u>(594,314)</u>	<u>23,438,502</u>	<u>23,955,200</u>

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

	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>

18 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	<u>19,737</u>	<u>-</u>

19 Commitments under operating leases

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

	2020 £	2019 £
Amounts due within one year	26,442	5,428
Amounts due between one and five years	23,544	9,499
Amounts due after five years	-	-
	<u>49,986</u>	<u>14,927</u>

The Parklands Academy occupied temporary accommodation under a lease agreement with North Somerset District Council until 31 August 2020, with rent charged at a peppercorn. A donation in kind of £10k has been recognised alongside corresponding £10k notional expenditure for the rental of the temporary accommodation.

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

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

	2020 £	2019 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	8,577,078	(128,924)
Adjusted for:		
Depreciation charges	300,915	354,182
Donation of tangible fixed asset	(8,900,000)	-
Interest receivable	(449)	(451)
Defined benefit pension scheme cost less contributions payable (note 24)	194,000	112,000
Defined benefit pension scheme finance cost (note 24)	9,000	3,000
Defined benefit pension scheme admin expenses (note 24)	5,000	-
(Increase)/decrease in debtors	(144,977)	(45,900)
(Decrease)/increase in creditors	420,965	(145,751)
Net cash provided by/(used in) operating activities	461,532	148,156

21 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,104,396	847,917
	1,104,396	847,917

22 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	847,917	256,479	1,104,396
Total	847,917	256,479	1,104,396

23 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

24 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £43,528 were payable to the schemes at 31 August 2020 (2019: £nil) and are included within creditors.

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

24 Pension obligations (continued)

Teachers' Pension Scheme

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

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 period amounted to £263,167 (2019: £138,242).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

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 £163,000 (2019: £106,000), of which employer's contributions totalled £115,000 (2019: £74,000) and employees' contributions totalled £48,000 (2019: £32,000). The agreed contribution rates for future years are 12.7% - 16.0% for employers and 5.5% - 12.5% for employees.

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

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

24 Pension obligations (continued)

Principal actuarial assumptions

	2020	2019
Rate of increase in salaries	3.80%	3.50%
Rate of increase for pensions in payment/inflation	2.40%	2.10%
Discount rate for scheme liabilities	1.80%	1.80%
Inflation assumption (CPI)	2.30%	2.00%
Commutation of pensions to lump sums		

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

	2020	2019
<i>Retiring today</i>		
Males	23.2	23.7
Females	25.3	26.2
<i>Retiring in 20 years</i>		
Males	24.7	26.3
Females	27.3	29.0

Sensitivity analysis

	2020	2019
	£	£
Discount rate +0.1%	1,192,000	458,000
Salary increase rate +0.1%	1,269,000	489,000
Mortality assumption – 1 year increase	1,323,000	499,000
CPI rate +0.1%	1,327,000	513,000

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

	2020	2019
	£	£
Equities	467,000	170,000
Government bonds	76,000	-
Other bonds	29,000	39,000
Property	93,000	20,000
Cash and other liquid assets	32,000	4,000
Other	361,000	129,000
Total market value of assets	1,058,000	362,000

The actual return on scheme assets was -£19,000 (2019: £19,000).

Amount recognised in the Statement of Financial Activities

	2020	2019
	£	£
Current service cost	(309,000)	(154,000)
Interest income	8,000	8,000
Interest cost	(17,000)	(13,000)
Admin expenses	(5,000)	(3,000)
Total	(323,000)	(162,000)

Educate Together Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

24 Pension obligations (continued)

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

	2020	2019
	£	£
At 1 September	847,000	394,000
Current service cost	309,000	154,000
Interest cost	17,000	13,000
Employee contributions	48,000	32,000
Actuarial (gain)/loss	1,098,000	235,000
Transfers paid	(2,000)	19,000
At 31 August	<u>2,317,000</u>	<u>847,000</u>

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

	2020	2019
	£	£
At 1 September	362,000	220,000
Interest income	8,000	8,000
Actuarial gain	532,000	12,000
Employer contributions	115,000	74,000
Employee contributions	48,000	32,000
Transfers paid	(2,000)	19,000
Administration expenses	(5,000)	(3,000)
At 31 August	<u>1,058,000</u>	<u>362,000</u>

25 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.

No related party transactions took place in the financial period.